JOURNAL

OF AMERICAN INSURANCE

DECEMBER, 1961 Vol. 37, No. 12

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Virginia Chamber of Commerce

OUR COVERS

AMERICA'S TWO HISTORIC PROTOTYPES of the many churches where Christmas will be commemorated this year are cover-pictured here as heritages from the nation's beginnings. Their more complete story is told in *Annals*, page 1.

On the front cover, much the same as it appears today, is Old Ship Church built by the colonists of Hingham, Massachusetts, in 1681. It is a Christmas landmark of added historic significance, since it served for its first 100 years as both a church and meetinghouse.

As now restored to its 1632 preciosity, St. Luke's near Smithfield, Virginia, is shown on the back cover. Long known only as "the Old Brick Church," it was named St. Luke's in 1821 when repaired and re-established as the mother church of Newport parish. Among the furnishings of exceptional rarity and value is the organ of English origin, circa 1665.

Together, Old Ship and St. Luke's enshrine all but a few years of the Christmastime legend and spirit since the 1607 initial settlement on these shores. ⊙

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NEWELL R. JOHNSON, *General Manager*
FREDERICK J. KEILHOLZ, *Editor*
L. A. FITZGERALD, *Assistant Editor*
DONALD W. SEGRAVES
RICHARD C. BJORKLUND
WILLIAM M. SCHIBUR

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CHRISTMAS, 1961

HRISTMAS is with us again, as it has been year after year for centuries, bearing witness that there is an endless continuity and a reassuring certainty still triumphant over all the uncertainties of life. We in the American Mutual Insurance Alliance wish you a full measure of the peace, good will and hope betokened by the Season.

Let us be thankful that our world has survived crisis after crisis — fourteen of them in the past fourteen years, the historians say. The end of these crises is not yet. But whatever the future betides, America has an impregnable bulwark of insurance resources providing certainty against the uncertainties that may befall us. Member companies of the American Mutual Insurance Alliance, for instance, lend their own distinctive aura of certainty to this Christmas season with a total of 8,442 years devoted to protection of the value of property and life.

With the advent of another New Year for all of us, we wish you happiness and good fortune.

Sincerely,

Denzel R. Johnson

General Manager

For the Member Companies
American Mutual Insurance Alliance

America's Oldest Christmas Shrines

Timbers for Old Ship's inverted keel are of native oak, hand-hewn in 1681.

CHRISTMAS IN AMERICA has two historic Promethean shrines where the spirit of the season has been kept alive for all the hundreds of years since Colonial times.

One is the Old Ship Church of Hingham, Massachusetts. Built in 1681, it is famed not only as the oldest wooden church structure in America but also as the oldest church in continuous use in the nation.

Historic St. Luke's Church, near Smithfield, Virginia, is the famed "Old Brick," circa 1632, described as "in many respects the most precious building in America." It is thrice hallowed this Christmastide as the nation's oldest standing church, the nation's only original Gothic church and the oldest existing church of English foundation in America.

Both Old Ship Church and St. Luke's are now in the National Registry of Historic Landmarks compiled by the National Park Service.

Beginning with the dedication ceremonies on January 8, 1682, services have been held regularly in Old Ship Church for more than two and three-quarters centuries. But its history as a perpetuator of the Christmas spirit goes back beyond that. Its framework contains some of the timber from the log meetinghouse of the first parish organized when Hingham was incorporated in 1635. Old Ship itself is located near the site of that first meetinghouse.

Seafaring folk who remembered the churches of their distant England designed and built the church. Ship carpenters, with neither brick nor stone to duplicate the Gothic, ingeniously adopted the principle of a keel in reverse and effected the Gothic in wood. Except for side galleries built in 1730 and 1755, the frame and walls still stand as erected in 1681. A hip roof superimposed on the original roof in 1775 was left intact in the 1930 restoration of Old Ship. But inside, a 1731 ceiling was removed and other restorations made to recapture the majesty of the great, squared overhead beams and the beautiful arches ax-hewn from oaks of the Hingham hillsides in 1681.

Mutuality created Old Ship and mutual insurance now protects it. It was a community enterprise for which the 144 families of the town had been taxed, according to their ability to pay, to raise the £430 required for construction. Hingham Mutual Fire Insurance Company, incorporated in 1826, is the insuring company. A retired officer of the company, Alan F. Hersey, former vice president and secretary, is a member of the parish.

Historic St. Luke's, whose bricks are incised with the building date of 1632, was rescued from neglect and disuse and rededicated on May 18, 1957. Only the last vestiges of Jamestown, where the first permanent colony was established in 1607, vie with the old church as symbols of this country's earliest past. The picturesque belfry, buttressed walls and traceried windows stand today very much as when erected 330 years ago across the river from Jamestown and near historic Williamsburg.

St. Luke's apparently went undamaged while nearby Jamestown burned during Bacon's Rebellion (1676). Although once abandoned and at times almost doomed, the church was reroofed and repaired in an 1889-94 restoration. More extensive repairing and restoring was done from 1953-57 under the direction of the Historic St. Luke's Restoration, an association formed to raise and administer funds.

Here, then, in Old Ship Church and St. Luke's, are the nation's only extant original cradles of Christianity. After all these hundreds of years Americans can still look to them for a renewal of the Christmas spirit this 1961 because they are the incarnation of the sentiment expressed in the motto of the Old Ship parish seal: "Let the work of our fathers stand." ⊙

St. Luke's organ, circa 1665, is a rare signed work by "Father" Smith, eminent in the revival of organ building in post-Restoration England.

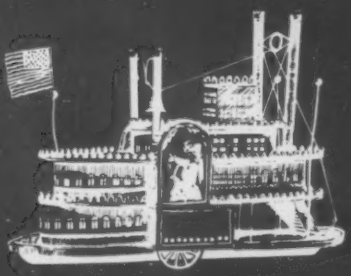
WE'RE PEEKING, SANTA C

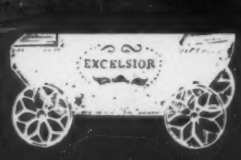
Among the scientific creations found in toyland this Christmas will be a replica of Edison's electric light, available in a series of science kits.

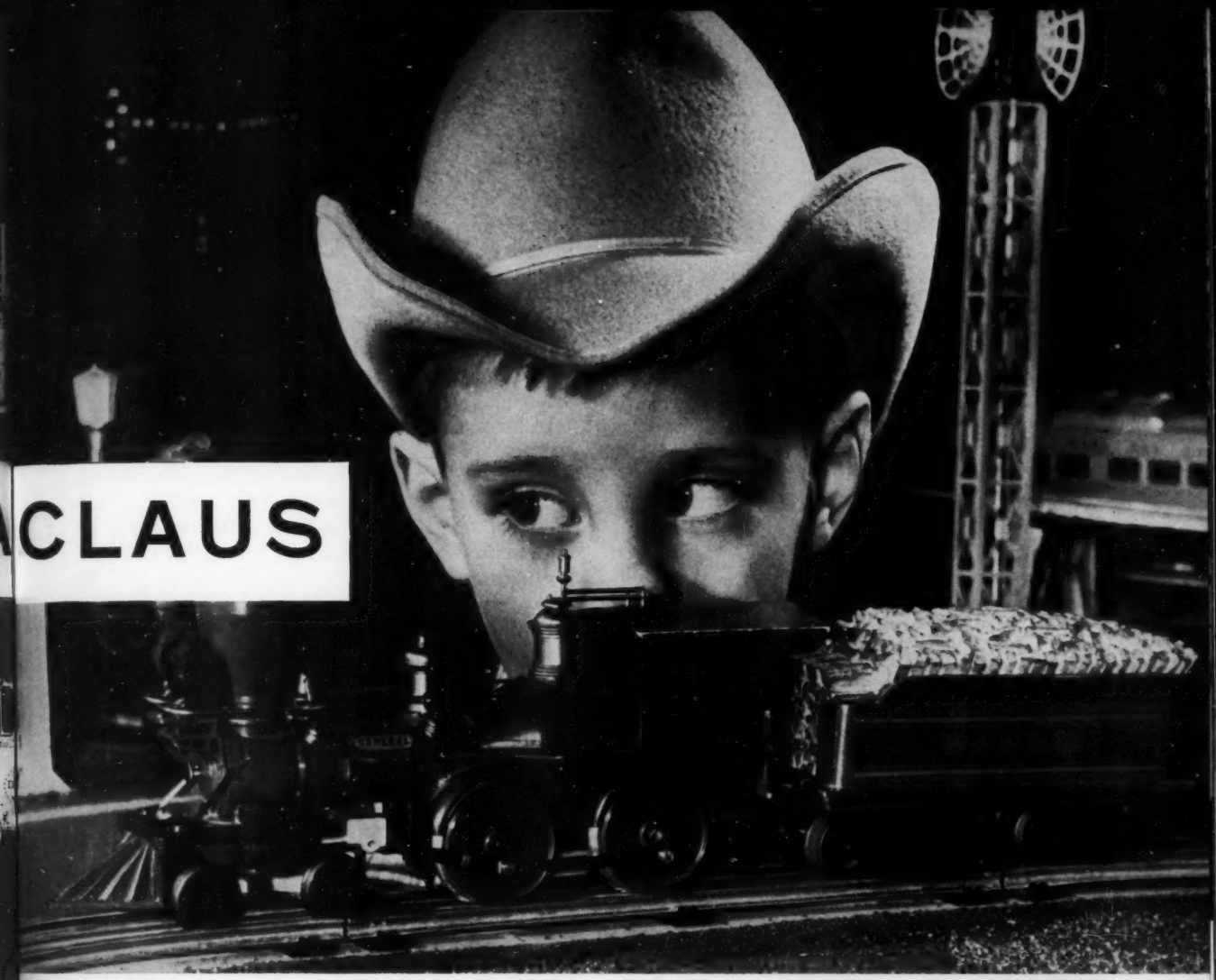
Trucks, planes and cranes now compete with rockets, moon stations and other space-age toys. But there's something about a dump truck that's hard to top.

Dolls will always be a Christmas gift favorite. This "patient's" expression will change quickly to a smile when the tassel on her nightcap is turned.

Toy Designer Marvin Glass with three of his newest creations, Robot Commando, Yakkity Yob and Mr. Machine. All are expected to be best sellers this Christmas. The rocket-firing Robot Commando alone is predicted to gross $7 million, with the other two not far behind.







The Lionel Corporation

Young eyes this Christmas will again be focused on model electric trains. This 4-year-old New Yorker shows his preference for authentic model of an old wood burner.

Packsack of surprises from 2,400 toymakers will bulge with new thrillers.

TOYMAKERS ARE TURNING the last details of the remaining days over to Santa Claus and the nation's parents with confidence that the unanimous verdict of young America will be: What a Christmas!

In variety and volume of toys, as well as in the ingenuity of the industry's craftsmen, this will be a Christmas such as no child has ever seen. For the first time, the toy output at the manufacturing end will exceed $1 billion for the year. Christmas trade is expected to put '61 retail toy sales at a new high of $2 billion.

A single toy is expected to have gross sales of about $7 million this year. These "Robot Commandos" will give Christmas morning a resounding salute in thousands of homes by firing rockets from somewhere inside their heads and then, for good measure, lofting grenades across the room.

Moon rockets, complete with launching pads and capable of soaring 200 feet, will initiate fledgling cosmonauts into the thrills of space adventures—but the staging area will have to be outdoors.

For the distaff side of the $2 billion toy market there are dolls that pucker their lips and make kissing sounds, frying pans that sizzle, teapots that

whistle and dollhouses that approach guest cottage size. To the surprise of no one, there is now a doll with a bouffante hairdo that goes by the name of Jacqueline.

A miniaturization of the adult world, toyland this year will again stress science and space. Newspapers, magazines, radio and television give prominent coverage to feats in these fields. Youngsters hear their parents and teachers discuss the news, and toymakers take it from there.

In one case a toy designer apparently moved a bit too fast. He produced an accurately detailed model of a new atomic submarine, using technical journals as his guide. Several government people complained that Russian spies were getting classified information by frequenting toy counters which sold the inexpensive plaything.

However, toy manufacturers and designers don't pretend to be keeping abreast of the defense strategists. It's difficult enough to keep pace with their young customers. One of the first to admit this is Marvin Glass, prominent among the country's most successful toy designers.

Glass, who created "Robot Commando" and last year's popular "Mr. Machine," said: "I'm always trying to create the perennial toy favorite—an impossible task."

In his nine-room studio on Chicago's Near North Side, the 44-year-old Glass and his 21-man staff work behind locked doors designing toys for nine of the country's ten top toy manufacturers. Prospective buyers must sign a pledge not to speak of, or attempt to copy any of the toys Glass shows them. To ensure further against "leaks," each door in Glass's studio has a different lock, changed periodically.

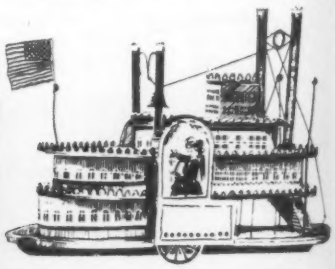
Such security measures may seem extreme, but months of work and many thousands of dollars which often go into the creation of a toy can come to nought for a designer when he sees his "original" wearing a competitor's label.

Meager margins in the highly competitive industry give rise to predictions that 90 per cent of the 2,400 manufacturers will not survive. But those companies and designers that do make it quite often make it big. For instance, Designer Glass's "Mr. Machine" was originally expected to gross $2 million. It has now reached three times that amount. One California manufacturer last year enjoyed a sales increase from $13 million to $18 million. Another toymaker has launched a $3 million advertising campaign. The world's biggest toy manufacturer, Louis Marx Company, Inc., of Erie, Pennsylvania, has five toy factories in the U. S. and 14 plants abroad.

Success in toy manufacturing is largely a now-or-never venture, for about 75 per cent of all toy sales are made during the Christmas season.

Dolls, sleds, wagons, electric trains and dump trucks still make up a prominent part of every toy display. But rockets filled with astronauts, planet bases and moon stations equipped with radar screens, and a myriad of other space splendors are capturing an increasing share of the market.

Also expected to reach an all-time sales high this Christmas are science toys. In kit form will come working models of Edison's electric light, Gutenberg's printing press, Bell's telephone, Morse's telegraph and Galileo's telescope. One kit that



Workers at Structo Manufacturing Company, a mutual-insured toymaker at Freeport, Illinois, are busy these days producing an assortment of toys for the fast-approaching holiday season. Like those of many major toy firms, Structo employees get on-the-job protection by mutual insurance.

could create a few difficult moments for parents and children alike packages a lie detector set.

The Toy Guidance Council reports that these working miniatures and other educational toys will account for nearly a quarter of the toy sales this year, compared with about one-eighth of the market five years ago.

Also in the realm of education are new games dealing with everything from the Civil War to summit conferences. The Civil War contests, sparked by the War's current centennial commemoration, permit players to restage famous battles between the Union and Confederate armies. A game called "Summit" places its participants around an international conference table where they can vie as make-believe top-level diplomats.

Competing with these new games will be a few of the long-standing favorites. "Monopoly," the largest selling board game in the world, is more than 30 years old and still selling well.

In the midst of the toy and game complex is the insurance industry, offering protection to designers, manufacturers and consumers. Mutual insurance companies are presently providing coverages to all segments of the toy industry.

Even the most harmless looking toy or game is not a safe business venture without the protection of product liability insurance in the event of accident or injury after the plaything gets into the hands of an owner. Edward P. Parker, executive vice president of Parker Brothers, Inc., Salem, Massachusetts, whose game-making company is mutual-insured, summarized the problem: "It has become more and more prevalent for customers to require us to supply certificates showing that we have product liability insurance. It would therefore seem that most companies in the toy industry must carry this insurance if they are to do business with some of the largest buyers in the country."

Product liability insurance recently paid an $80,000 settlement for one toy manufacturer after the eyes of three plaintiffs were injured when plastic nose cones "blasted" off toy missiles without being triggered.

There are other perils, too, in the toy business. Since the industry is seasonal, relying heavily on Christmas sales, a fire or other mishap causing work stoppage could set a company back indefinitely or, even worse, bankrupt it. Hence, nearly all toy manufacturers consider business interruption insurance a prudent investment.

As an example, Structo Manufacturing Company, a toy producer located near Freeport, Illinois, carries insurance on its buildings and contents against fire, lightning, wind, hail, explosion, riot, aircraft, smoke, vandalism, maliciousness and sprinkler leakage.

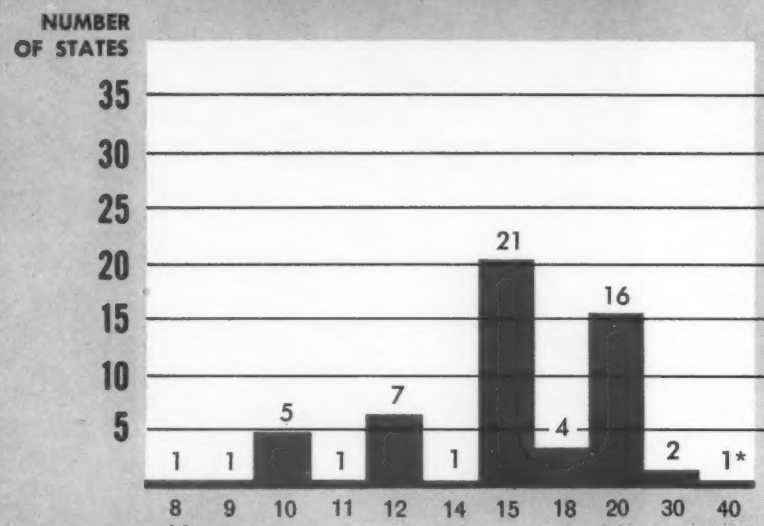
Wide World

Thousands of sleds in a Philadelphia sled factory stand ready for a white Christmas. This season, as in past years, sleds will take a sizeable chunk of toy buyers' money.

Also a mutual insurance policyholder, Structo carries workmen's compensation for its employees, insures company executives against accidents during their travels, and has a comprehensive liability and property damage policy as well as the indispensable product liability and business interruption coverages.

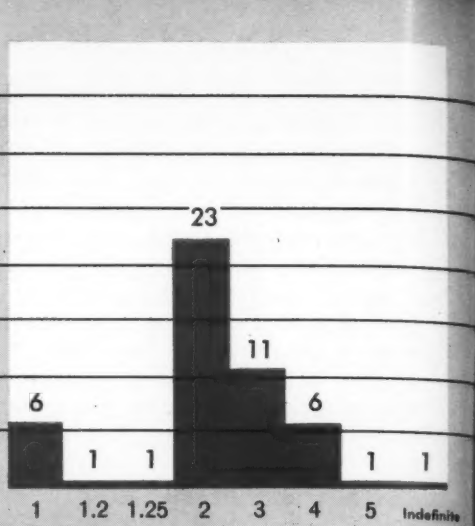
There are additional policies which toymakers list in their insurance programs but those just mentioned make up the insurance safeguards utilized by all the major companies against the risks and hazards of the business.

This year there is even a toyland bit of mechanized insurance with parent appeal. It is a jumbo-sized working replica of a sanitation truck that might ensure getting the house tidied up again after the chaos of Christmas morning. ⊙

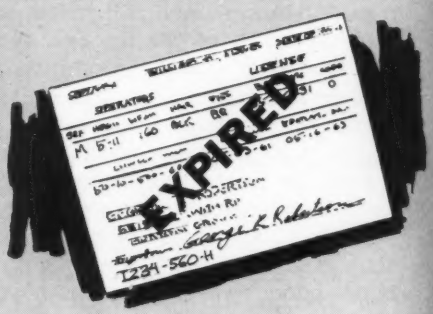


DURATION OF DRIVING TEST
(Time spent with each applicant)

**Several jurisdictions reported more than one test-duration figure.*



VALIDITY PERIOD
(Operator's permit)

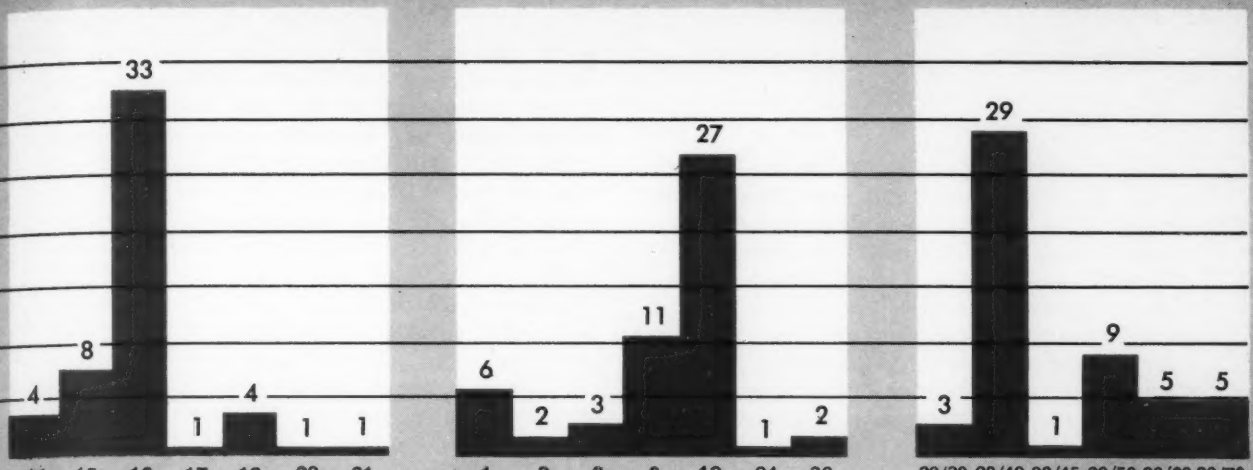


OUR *52* VARIETIES

In present mishmash,
no two states have uniform
requirements
for drivers' licenses.

IT WAS A BIG YEAR FOR MOTORING in 1908. And the biggest motoring advance of all was provided by tiny Rhode Island, smallest of the 46 states. "Little Rhody" conducted the first drivers' license examination. Coincidentally, the year before Rhode Island had been the birthplace of Automobile Mutual Insurance Company, the first mutual company specializing in automobile fire and theft coverage.

As a 1908 innovation, Rhode Island's drivers' examination has had ramifications, along with the other motoring epochs of the period. That year General Motors was organized. The self-sealing inner tube was introduced; Henry Ford produced his first Model T. Horses whinnied at the rumble of 198,000 motorcars with such names as Reo, Winton, Rapid, Autocar and Marmon.



Source: "Licensing of Motor Vehicle Operators," Transportation Engineering Center, Ohio State University

OF 'COMPLEAT' DRIVERS

Today, 43 years after Rhode Island's pioneering drivers' tests, all 50 states, the District of Columbia and Puerto Rico require that drivers' license applicants be examined. But no two jurisdictions do it exactly the same way. Lack of uniformly high licensing standards, long overdue, is certainly responsible for a major share of the nation's traffic toll.

Those responsible for licensing statutes did not foresee the traffic complex of our time. Each year 18 million drivers are involved in accidents that kill 38,000 and disable 1.5 million others. Ironically, nearly 97 per cent of drivers involved in accidents are legally licensed, certified by their states as competent and "compleat" drivers qualified to meet any traffic situation.

Failure of licensing procedures to weed out unqualified drivers points up the lack of uniformly high standards of qualification and testing. One state licensing official says, "As the traffic situation becomes more progressive, driver qualifications must necessarily become more specifically exacting. Correspondingly, the examination must constantly be improved to keep pace with other advances."

Insurers writing automobile liability insurance recognized this need in "A Program for Responsibility on Our Highways," a comprehensive plan to meet the problem of irresponsible motorists. Key points in the insurers' plea for traffic safety are tighter licensing requirements for youthful drivers and re-examination of chronic offenders and aged drivers.

National Safety Council statistics show that

in 1960 young drivers under 20 had an "accident index" of 1.96 on a scale that fixes 1.0 as average for any age group. Yet some states license drivers at ages 14 and 15. Others heed the advice of police and traffic court judges and make young drivers wait until they are 16 to be licensed. At least one state insists that operators be 20.

Only 11 states definitely re-examine drivers after they have reached a given age, ranging from 65 to 80. Only one, Pennsylvania, requires re-examination of all drivers.

Eyesight Tests Vary Widely Between States

Some states require that a driver who wears glasses have corrected vision of 20/30, that is, he must see as well at 30 feet as one with normal eyesight can at 20 feet. Other states license those whose corrected vision is 20/70, or less than half as acute. Moreover, vision experts now assert that visual acuity is only one of three eyesight factors that should be checked. Presently, only 26 states test depth perception; only 11 measure an applicant's visual field.

Diversity of withdrawal regulations adopted by various jurisdictions is a serious block to long-needed reciprocal revocation and suspension agreements between states. Those convicted of driving while intoxicated lose their licenses for only one month in six states, but two states suspend such drivers for three years. Regional compacts to exchange information on suspensions and revocations would be encouraged by uniform withdrawal regulations, including the point system of driver control.

Professional Status Urged for Examiners

Driving test time varies from 8 to 40 minutes, and examiners usually lack objective standards for grading applicants. In a number of states tests are given on closed courses; in others the driver must prove himself in traffic. Professional training and better pay for driver licensing examiners is one of the goals of the American Association of Motor Vehicle Administrators, which is promoting a national driver license program under a grant from the Insurance Institute for Highway Safety. AAMVA and others concerned with improved licensing maintain that professional status for examiners is the only way to end under-the-dashboard payoffs that defeat the purpose of driving examinations.

Continuing efforts of AAMVA to strengthen the effectiveness of driver licensing have the support of insurers and assistance from many national and local groups. An example is the National Committee on Uniform Traffic Laws and Ordinances which drafted and regularly revises the Uniform Traffic Code. The committee will meet in March, 1962, to consider changes suggested since the Uniform Code was last revised in 1956. Meanwhile, the code remains a model for licensing authorities and legislators.

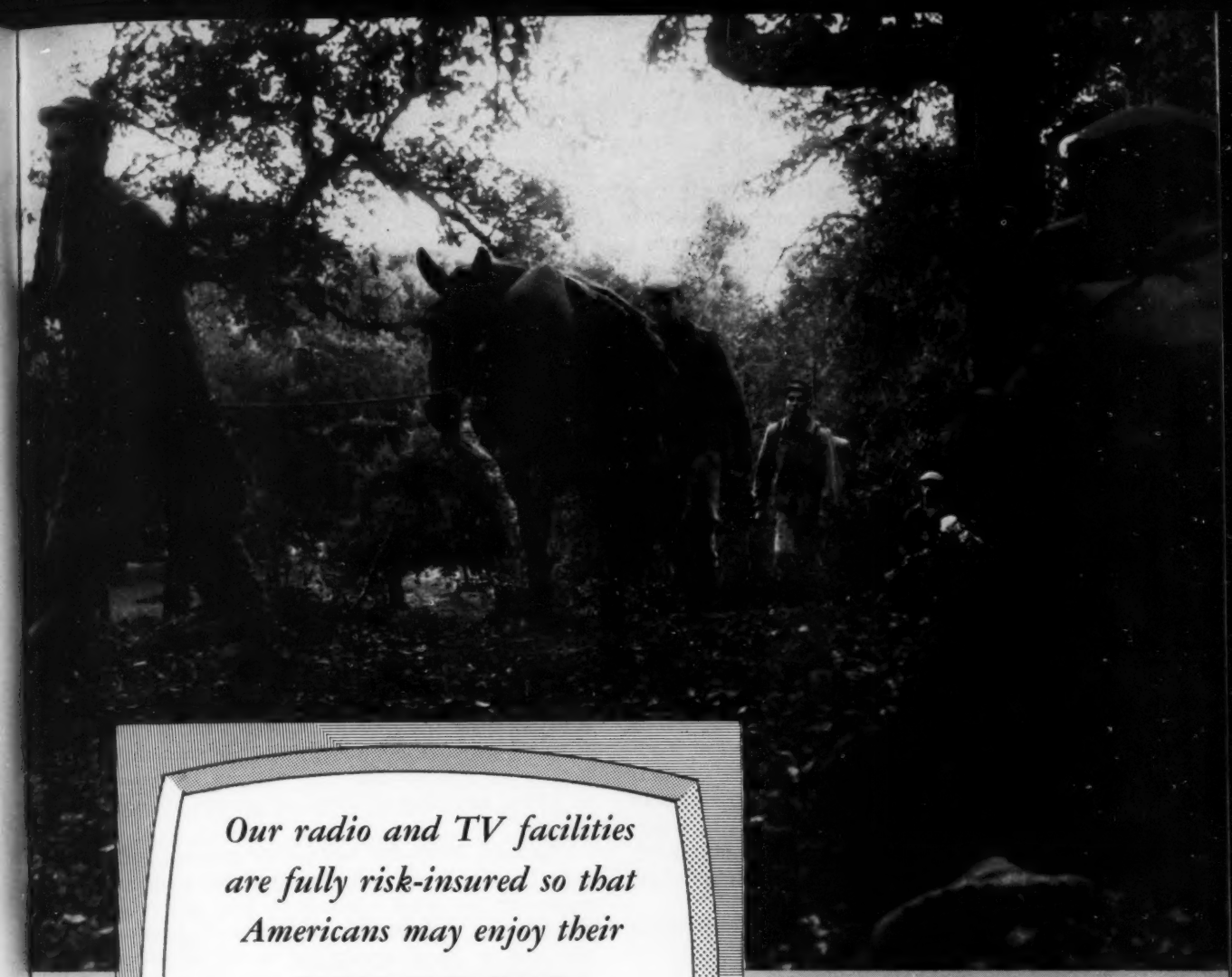
Another useful measurement of a state's licensing program is provided by comparing one state's practices with those of other jurisdictions. Such a comparison was made for the Ohio Department of Highways, the Highway Research Council of Ohio, and the Ohio Department of Highway Safety by Charles W. Algea, research assistant at the engineering experiment station of Ohio State University. Algea concluded that while his state has relatively stiff requirements, considerable research is needed to improve licensing in Ohio and throughout the nation.

Some Facets of Licensing Being Studied

One essential of an ideal licensing program, Algea concluded, is modification of tests to provide a range of scores on objective tests. Test scores should be correlated with the applicant's driving record after he has been issued a license. Such data could be used to remodify the tests; suggest new areas for development of driver testing; restrict drivers to safer highway environments; and to help justify the suspension of drivers under the point system.

A special committee in New Jersey has recommended to Governor Meyner that the state establish a research program to develop physical and psychological standards for drivers through clinical studies of accident-prone motorists. An effort at psychological testing of drivers is being made with good results by a mutual insurance company in Iowa. The company hired a Grinnell College psychologist to test young applicants for auto liability insurance. Questions concentrated on discovering applicants' attitudes. Those who passed were given insurance at adult rates. Those who have qualified during the past two years have a lower loss ratio than their adult counterparts.

Such efforts at relating post licensing experience and control to initial examining operation are part of a nationwide effort to tighten driver licensing techniques. Without tighter licensing procedures, efforts at developing driver training and improvement programs are doomed to failure. Agitation for improved licensing techniques is being translated into more uniform laws and better testing procedures. But a driver's license, experts say, is still our most neglected safety device. ⊙



Our radio and TV facilities are fully risk-insured so that Americans may enjoy their

FREEDOM TO LOOK AND LISTEN

ABC-TV photographer Hank Toluzzi photographs an Algerian rebel patrol as it moves toward the front line. It was the first report on the Algerian war filmed with the rebel forces. All ABC employees are covered by mutual insurance policies.

AT THE HEIGHT OF the Algerian war last spring, a team of ABC newsmen and cameramen slipped behind rebel lines and filmed a memorable documentary on a guerrilla attack that freed a group of Algerian refugees from a French prison camp.

It was the kind of journalistic enterprise that Americans have grown to expect from the new breed of news gatherers who wield microphones and TV cameras to cover the world's trouble spots. In the past year alone, radio and television newsmen have been thrown into jail by Fidel Castro, beaten up by segregationists while covering the Freedom Riders in Alabama, injured in the battle between French and Tunisian troops in Bizerte and attacked with tear gas and water cannons on the ramparts in West Berlin.

Freedom to Look and Listen

Their aggressive pursuit of history in the making is the hallmark of the nation's broadcasting industry, a robust young giant that already numbers nearly 5,000 radio and TV stations and commands an audience of more than 45 million families. Radio news, which had its beginning in 1920 with the broadcast of the Harding-Cox election returns, is now heard hourly on most of the nation's 3,500 AM and 860 FM stations. Television, which began commercial broadcasting in 1941, now reaches 97 per cent of the nation through the facilities of 575 commercial stations and about 50 educational stations.

Investment in these facilities has been growing swiftly since television really started to boom in 1948. Many are now multimillion-dollar enterprises. When Kansas City's WMBC-TV and its radio affiliate were sold a year ago, for example, the price was $10,250,000.

Mutual insurance has a strong stake in safeguarding both the industry's investment and the well-being of its news staffs and other employees. A mutual insurance company insures all of ABC-Paramount's 15,000 employees, as well as the network's world-wide liability and fleet exposures. In the past three years, the insurer and ABC insurance manager Ogden Bradley have organized safety committees in all ABC radio and TV stations and put on a full-time safety engineer.

Another mutual policyholder is Westinghouse Broadcasting Company, which pioneered commercial radio broadcasting with Pittsburgh's station KDKA in 1920. Westinghouse now has 12 radio and TV stations coast to coast, reaching an audience of 40 million. Its studios and transmitter buildings, the largest valued at more than $1 million, are covered by a blanket policy written with mutual companies.

Numerous individual stations, including Utica, New York's WRUN and Boston's WHDH-TV, also have mutual insurance protection and service.

Most larger stations now have insurance managers. Television's growing appetite for on-the-spot coverage is one of the chief worries of the TV insurance manager, who often finds himself torn between pride and the heebie jeebies when the news department goes wading into wars, riots, accidents and natural disasters.

Unlike the newspaper reporter, who covers his beat with a five-cent pencil and a couple of sheets of note paper, today's television newsman goes into action equipped with cameras, tape recorders, mobile transmitters and other paraphernalia worth from $300 up. When KNXT in Los Angeles decided to cover the Hungarian revolt, for example, it sent newsman Clete Roberts and cameraman Tex Zeigler on a 27,600-mile trip lugging 450 pounds of photo equipment valued at several thousand dollars.

Chicago's WGN-TV reports its newest mobile unit, a trailer truck packed with all the equipment necessary for color telecasts of ball games and other events, cost $290,000. Two older transmitters mounted in panel trucks are valued at $100,000 each. These mobile units are exposed to all the hazards of traffic, large crowds and weather, and are insured with a special policy that covers them against collision, theft, fire, vandalism and virtually every other physical peril.

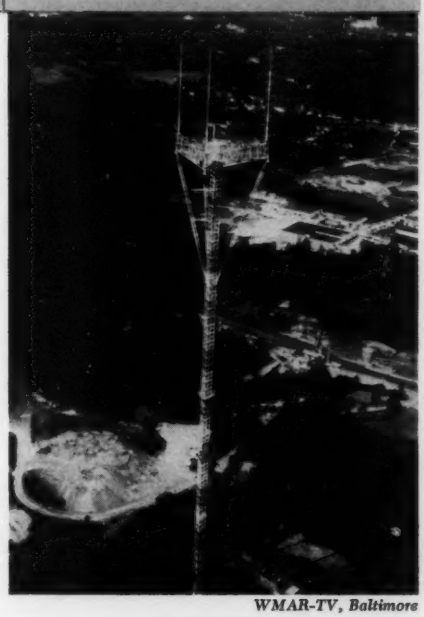
This all-risk policy is widely used throughout the industry for insuring all types of broadcasting equipment, including transmitter towers. Several of these towers are more than 1,000 feet tall, the highest being a 1,676-foot structure at Cape

Today's broadcast facilities range from modest radio transmitter buildings such as this one at WOWO, Fort Wayne, Indiana, to the multimillion-dollar headquarters of WBZ-TV, Boston. Westinghouse operates 12 stations from Massachusetts to Oregon, insured by mutual companies for fire, windstorm, vandalism, sprinkler leakage and other physical hazards, including earthquake at KPIX, San Francisco.

WBKB-TV, Chicago (ABC)

Television viewers often are as fascinated by TV production techniques as they are by the program. Stations welcome live audiences, but protect against costly mishaps with their public liability insurance.

Baltimore's 730-foot candelabrum tower serves three TV stations, weighs 2,750 tons, and is designed to withstand winds up to 165 mph. Such structures have enormously increased TV's investment and risks.



WMAR-TV, Baltimore

Girardeau, Missouri. It tops the Empire State Building by 211 feet.

Towers of that size represent investments of about $1½ million, and the liability exposure is enormous. The potential hazard was illustrated when a tornado toppled the 300-foot TV antenna of station KTVI-TV in a suburb of St. Louis, crushing three parked cars and doing extensive damage to three apartment buildings. Taller and heavier structures could do far more serious damage if knocked over by a storm, earthquake or low-flying airplane.

Another formidable risk inherent in communications is that of being sued for libel and slander. Radio and TV stations are even more vulnerable than newspapers, since they have little control over the utterances of persons who appear "live" on their shows and interviews. Stations may be held liable for defamatory material and for related affronts such as invasion of privacy, plagiarism, piracy of program ideas and infringement of copyrights.

Although such claims do not occur frequently, they can be both expensive and embarrassing. In one case, a playwright won a $30,000 judgment against a speaker, sponsor, network and writers who libeled him in speeches made during a debate. In another instance, an itinerant Missouri preacher was awarded $6,000 after several radio stations broadcast a song about a "walking preacher" which allegedly damaged his reputation. And Tallulah Bankhead collected $5,000 for invasion of privacy when a toothpaste company came out with a singing commercial entitled "Tallulah the Tube."

Insurance against libel and related claims usually is written with a large deductible, and is designed primarily as a "catastrophe" coverage against disastrously large claims.

There is a strong trend in radio and television insurance toward consolidation of policies and the use of blanket coverages. Athens, Georgia's WRFC, for example, had 14 different policies a year ago, written with six different agents. The station's general manager, L. H. Christian, has now consolidated all of these into just three policies handled by a single agent.

"Things had got so bad that when we did have a claim, we couldn't remember who to call," he says. His agent also found that he was overinsured on some items, underinsured in others. The new program provides considerably more coverage for about $100 less in premiums than the old hodgepodge of policies.

Better coverage is the goal of both insurers and broadcasters as radio and television give new meaning to our traditional American freedom to look and listen. ⊙

Demolition is a

Seventeen floors above Chicago's Loop, a towering Pecco crane lifts a small "flying" crane into position to knock down walls with a 1,000-pound steel ball. These mechanical devices have revolutionized the wrecking industry, but some work still must be done with pick and sledge hammer.

Contractors and Engineers Magazine

a spectacle of big business precisely done by these

EXPERTS IN DESTRUCTION

Cleveland Wrecking Company

Ouch! The face of tragedy seems more pained than ever as a skull cracker lands one on the snoot at St. Louis' American Theater.

ONE OF THE BIGGEST SPECTACLES in Hollywood history was enacted off-camera at the 20th Century-Fox studios a few weeks ago.

While studio hands, movie magnates and directors looked on, a seasoned cast from the Cleveland Wrecking Company devastated 180 acres of old movie sets in less time than it takes to shoot a major film. Bulldozers breached Prince Valiant's castle in a matter of minutes, then laid low Peyton Place and the scenes for "South Pacific" with impartial efficiency. Burly men with sledge hammers made short work of Chicago's lake front and New York's Washington Square.

The Old West was wiped out in half an hour, bringing order at last to the frontier town that had known little but violence since Warner Baxter first strode its dusty street in "The Cisco Kid" 30 years ago. In less than six weeks, the wreckers had leveled the entire 180 acres to make way for a $500 million housing development and shopping center.

It was a familiar role for Cleveland's brawny housebreakers. At one time or another in the firm's 52-year history, these experts in destruction have torn down just about every kind of structure this continent has produced, from cowsheds to skyscrapers. Any week in the year is likely to find them at work in 20 to 30 cities, operating out of 17 permanent offices in cities from coast to coast. Cleveland's crew averages 200 supervisors and 1,000 other employes, but the number often triples at the peak of the season. It is, in fact, the most destructive force ever unleashed with peaceful intent, having put away more than 65,000 buildings in its time—the equivalent of a city the size of St. Louis.

Among the firm's victims have been such landmarks as San Francisco's Humphrey Castle, Chicago's Great Northern Hotel, Cincinnati's Burnet House, St. Louis' American Theater, and structures housing the New York World's Fair. Recent jobs include Newark's ornate Prudential Buildings, three skyscrapers on the site of Chicago's future courthouse, and hundreds of lesser buildings removed to make way for hospitals, superhighways and urban renewal projects.

Such buildings are scrapped for much the same reasons as automobiles. They go out of style. They fall behind in efficiency. They wear out. They stand in the way of progress—or what passes for progress. In congested downtown areas of cities like Los Angeles, the owner of an old building often finds he can make more money by tearing it down and using the space for a parking lot.

Whatever may doom these buildings, they have made wrecking a big and fascinating trade. Its annual volume has been estimated at from $100 to $200 million, but the business is so fiercely competitive that nobody really knows. Amateurs move in and out of the field all the time, and more people are said to go broke in this branch of contracting than in any other.

It is also a highly hazardous occupation. Records of insurance companies underwriting workmen's compensation coverages indicate that demolition work exposes workers to much greater danger of life and limb than most other industries. Costly injuries are, in fact, a major cause of business failures in the wrecking trade.

"Manual rates charged wrecking and demolition contractors are substantially higher, with rare exceptions, than those charged for iron and steel erection—not exactly a pantywaist occupation," says R. Campbell Starr, U. S. Department of Labor. In a number of states, the cost of worker injuries adds more than 20 per cent to the average wrecking contractor's payroll. This compares with about 15 per cent for iron and steel contractors, 5 per

cent for carpenters and less than 1 per cent for clothing manufacturers.

On top of this, adequate public liability protection may cost a wrecking contractor another 5 to 10 per cent of the payroll, depending on his past record, the kind of work he is doing and the community's attitude toward filing claims.

Marginal contractors often underbid well-established wrecking firms by skimping on liability protection and by omitting safety precautions for workers and the public. One serious accident or lawsuit may drive them out of business, leaving the building owner holding the bag. It is he who gets stuck with the bill if his wrecker defaults after damaging an adjoining building or letting a cornice fall on a passerby.

"We lose a lot of bids by insisting on spending money for scaffolds, barricades and insurance. But we also finish a lot of jobs that somebody else started," says Edwin D. Rose, vice president of Cleveland Wrecking Company and manager of the firm's Chicago division.

Cleveland carries all of its workmen's compensation, public liability and auto fleet coverages with Liberty Mutual Insurance Company of Boston, and depends on Liberty's safety engineers to help keep its wrecking crews safety-conscious. On large jobs, these engineers meet regularly with the foremen to talk over problems as they occur. They also inspect the job site with the aid of a 27-point check list devised by Cleveland and Liberty to anticipate the most likely hazards. Every job is planned from start to finish before the first blow is struck.

Such advance planning serves more than the cause of safety alone. Since salvage is the key to profit in the wrecking business, Cleveland's crews carefully arrange the sequence of their destructive tasks so as to preserve as much of the building as they can. First they shut off all gas, electric and water lines. They also drain oil tanks and look around for any chemicals or explosive substances left behind by departing tenants. Next to go are the plumbing, fixtures and other breakable items, including all glass. Carved mantelpieces, nice old doors and other items of value are removed and carted away to be sold, along with more humble materials such as lumber, bricks and steel girders.

Once the breakables are out of the way, the work goes swiftly. Cleveland owns more than 300 cranes, trucks, bulldozers and other heavy pieces of equipment to speed the doomed building on its way. Perhaps the most spectacular technique involves use of a "skull cracker"—a heavy steel ball that can be used like a flail to batter down brick and masonry walls. A skull cracker in the hands of a skilled crane operator can do as much work in an hour as 50 men can do in a day with hand methods.

Nevertheless, some work must still be done the hard way—by strong men wielding jackhammers, picks and crowbars. Their work, though hard and hazardous, is not without its rewards. A workman helping wreck an old San Francisco mansion once came across a bag of gold coins; others frequently discover rings, jewelry, old documents and other valuables. Cleveland makes it a practice to return items of sentimental value to their owners, if they can be identified, but the general rule is "finders keepers." Some workers apparently don't have much confidence in that rule, though. If the discovery appears to be something fairly valuable, they are likely to take to their heels and not come back.

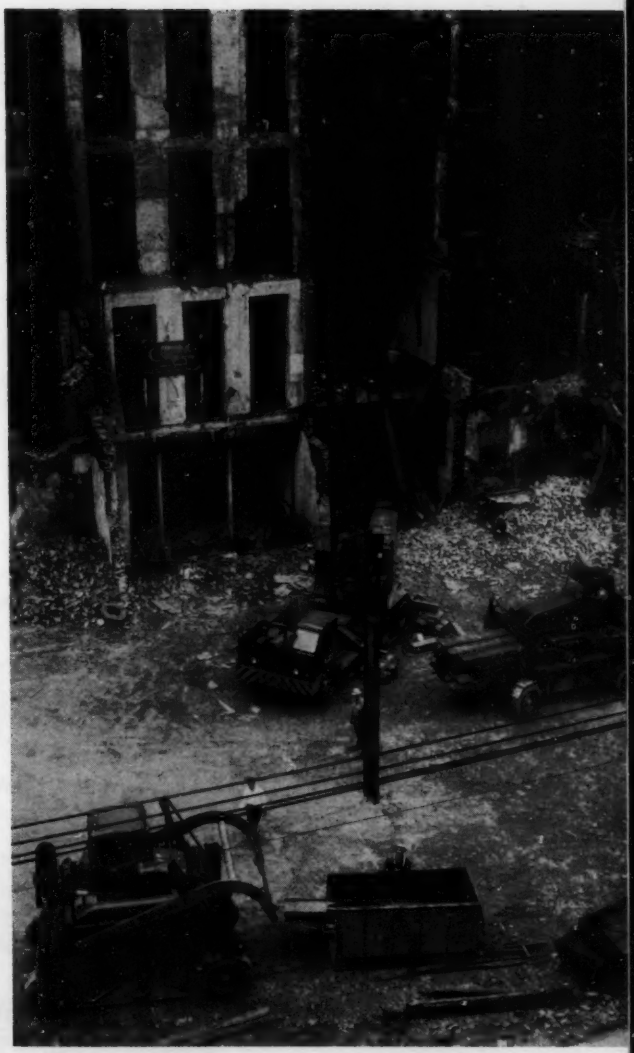
Sometimes, of course, the item of sentimental value is the building itself, and bitter is the public outcry when the owner breaks the news that another landmark is to be smashed. Such was the case when architect Louis Sullivan's venerable Garrick Theater was demolished in Chicago earlier this year, to be replaced by a parking garage. The owner and the wrecking company withheld the first blow for several months while a public committee sought funds to save the Garrick from destruction. When these efforts failed, they allowed museums and Sullivan enthusiasts to remove and preserve much of the frieze work and other architectural flourishes.

Wrecking companies are not exactly happy about tearing down historic structures. But their saddest experience is to find out, well along the way, that they are working on the wrong building. In Minneapolis, a foreman for Cleveland Wrecking Company once promised a fast demolition job for an oil company which was competing with another oil company to be first with a filling station at a busy intersection. The foreman checked with his client's agent the night before and was assured the store to be removed was on the southwest corner.

By the time the agent showed up at 10 the next morning, Cleveland already had the windows out and the roof off—and it was the wrong building. It should have been the one on the southeast corner. But the story ended happily, for the wreckers at least. The building they had attacked belonged to the other oil company, and its executives were delighted to get a head start on their rival. They promptly told Cleveland to go ahead and finish the job. ⊙

Wreckers wielding bulldozers slash into the fake brick front of a New England cottage used in filming "Peyton Place." Cleveland Wrecking Company cleared 180 acres of movie sets at the 20th Century-Fox studios in Hollywood this fall to make way for a housing development.

Three photos, Cleveland Wrecking Company



Straddle carriers keep debris cleared away as wreckers demolish a group of old apartment buildings to make way for an expressway in Cincinnati. Salvaged fixtures, lumber and other materials are taken to yards to be sold.

Chicago Sun-Times

First-aid room was set up at the demise of British Columbia's Hotel Vancouver to provide fast medical care for injured employees. Mutual insurance engineers also check to see that foremen have phone numbers of nearby physicians and hospitals.

Cleveland Wrecking Company crews rescued a worker trapped when this meat packing plant collapsed during demolition by another wrecker in Chicago last March. Mutual insurance men stayed on the job 19 hours to help safeguard rescuers.

OUR GIFT OF HEALTH

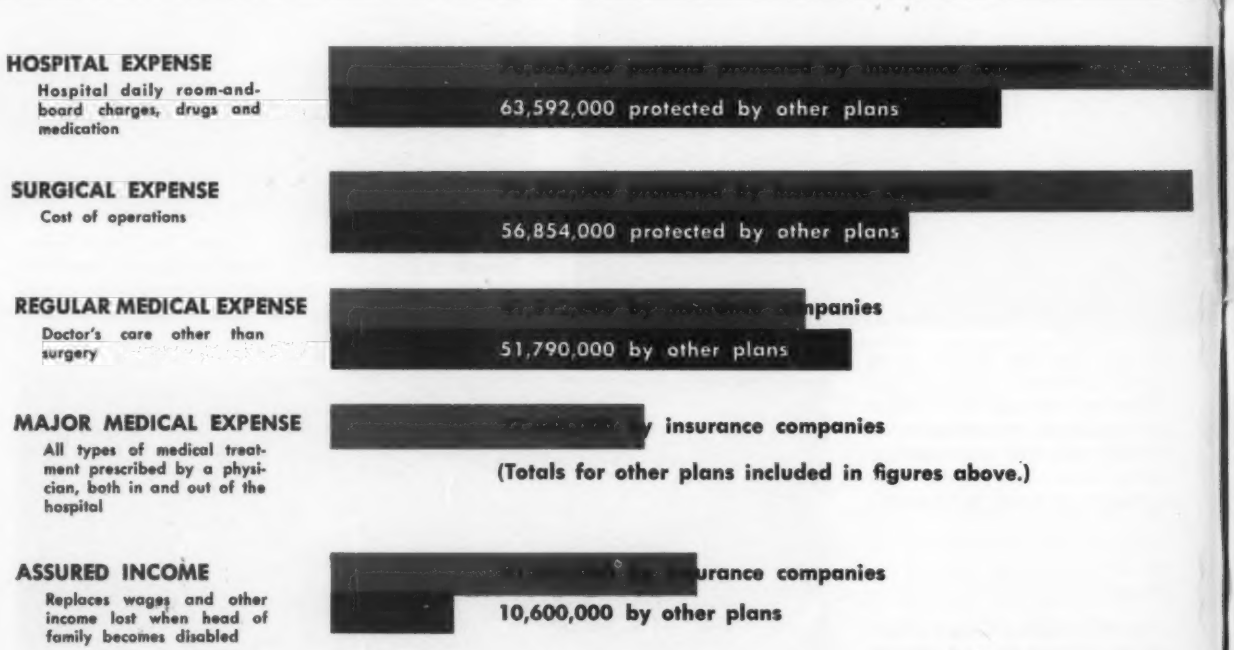
O health, health!
The blessing of the rich!
the riches of the poor!
who can buy thee
at too dear a rate?

BEN JONSON: *Volpone, II*, 1605

AMERICANS HAVE HAD MORE than a century of healthier and happier Christmases as a result of two historical breakthroughs in medical care made in Boston 115 years ago. In October, 1846, ether was first used as a surgical anesthetic in a tumor operation at Massachusetts General Hospital. A few months later, in 1847, the first insurance company to issue policies covering the costs of medical care was formed as the Massachusetts Health Insurance Company.

Both medical science and voluntary health insurance have made vast advances since those Boston milestones of more than a century ago. And the two have been interdependent in providing Americans with an unparalleled system of medical care. Last year hospital admissions in the U. S. ran more than 21 million, equal to the entire population in 1846. Today the average American visits a physician five times a year; 462,000 hospital beds are occupied each day; and the nation spends in excess of $18 billion annu-

For Health's Protection, Voluntary Insurance Sets Records


Type of Protection
Number of Persons Protected
HOSPITAL EXPENSE
Hospital daily room-and-board charges, drugs and medication
63,592,000 protected by other plans
SURGICAL EXPENSE
Cost of operations
56,854,000 protected by other plans
REGULAR MEDICAL EXPENSE
Doctor's care other than surgery
51,790,000 by other plans
MAJOR MEDICAL EXPENSE
All types of medical treatment prescribed by a physician, both in and out of the hospital
(Totals for other plans included in figures above.)
ASSURED INCOME
Replaces wages and other income lost when head of family becomes disabled
10,600,000 by other plans

Source: 15th Annual Survey (1960) Health Insurance Council, whose member associations are American Mutual Insurance Alliance, American Life Convention, Association of Casualty and Surety Companies, Association of Life Insurance Medical Directors, Health Insurance Association of America, International Claim Association, Life Insurance Association of America and Life Insurers Conference. These eight insurance associations represent companies that account for 90 per cent of the health insurance issued by the insurance business in the United States.

ally on hospital care, medical treatment and prescribed medicines.

While research and improved medical education have provided the means to longer lives and better health, voluntary health insurance has enabled Americans to meet the cost of this unexcelled treatment. Medical care policies were at first sold only to the privileged few who could afford to protect themselves against the cost of meager medical services available before the Civil War. Last year the roster of voluntary health insurance policyholders numbered 132 million, 73 per cent of all U. S. residents.

Persons protected by such policies received benefits amounting to $5.7 billion in 1960, a rate of $15 million each day for hospital care, surgery and regular medical expenses. With the broadening scope of medical services and the rising cost of living, such benefits increased 338 per cent from 1950-60, while persons protected rose 72 per cent. Also spurring the growth of benefit payments is broadened coverage under health care policies.

Major medical expense protection now pays virtually all types of hospital and medical expenses prescribed by a physician for catastrophic or prolonged illness or injury. "Major medical" insurance started in the 1940s as specific coverage against expenses connected with dread diseases such as polio. In 1951 such policies were broadened to provide benefits regardless of the nature of the ailment. In 1960 insurance companies alone covered more than 27 million persons under major medical policies; additional millions were protected by Blue Cross-Blue Shield Plans. Now the fastest-growing form of medical care insurance, major medical coverage gains at a rate of 25 per cent each year.

As medical science seeks drugs that will conquer such dread killers as cancer and leukemia, voluntary health insurance stands ready to provide benefits for those who can be cured by such discoveries. In 115 years, the nation's health insurance industry has helped meet the cost of many medical miracles. ⊙

Total Persons Protected	Total Benefits Received
131,962,000	$3.3 billion
121,045,000	$1.6 billion
87,541,000	
27,448,000	(Benefits paid under major medical expense policies are distributed above between hospital expense and surgical-medical expense, according to payments made.)
42,436,000	$839 million

Additional Types of Protection

PERSONAL ACCIDENT POLICIES. More than 6.5 million persons protected against loss of income and medical expense associated with injury. Another 20.5 million protected against special accident or "dread disease" expense.

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE. Policies taken out by employers protect more than 21 million wage earners, providing payments for accidental loss of life, limb or sight.

LIFE INSURANCE. Coverage for 130 million persons includes provisions in some policies for payments for the insured's last illness. Some policies also provide monthly cash benefits for total or permanent disability.

LIABILITY INSURANCE. Provides benefits toward hospital and medical expenses of injured persons and protection against their loss of income. Coverages include protection for persons injured in home, business or auto accidents and for other types of injury under policyholders' responsibility.

WORKMEN'S COMPENSATION. Some 43 million workers receive wage replacement benefits, medical and rehabilitation care if injured in the course of employment. Benefits exceed $1.4 billion annually.

CASH SICKNESS BENEFIT PROGRAMS. Workers in four states (New York, New Jersey, Rhode Island and California) and railroad workers under federal jurisdiction are protected against wage loss from nonoccupational disability. More than 11 million workers have this protection, more than half of them from insurance companies and self-insuring employers.

FEDERAL MEDICAL CARE. Military services, the Veterans Administration and other federal agencies provide complete or partial medical care for approximately 30 million persons.

FEDERAL SOCIAL SECURITY. Assures cash disability payments to "covered" persons who are permanently and totally disabled.

STATE AND LOCAL MEDICAL CARE BY GOVERNMENT AGENCIES. Provides medical care to millions in government sanitariums, prisons and other public institutions.

LET IT SNOW,

Mobile Peabody snow melter demonstrates its prowess with shaved ice fed into it by Sicard snow loader. Direct-contact heater turns snow into watery slush.
Peabody Engineering Corporation

Conventional snow removal involves carting critical snow in trucks. Well-suited to rural areas, this method is extremely expensive when used in major cities.
Caterpillar Tractor Co.

SNOW, SNOW

Mountains of it can now be cleared away for traffic by melters and other obliterators.

The sled and travellers stopped, the courier's feet
Delayed, all friends shut out, the housemates sit
Around the radiant fireplace, enclosed
In a tumultuous privacy of storm.

RALPH WALDO EMERSON, *The Snow-Storm*

EMERSON, EVEN A CENTURY AGO, saw between the snowflakes and recognized perils behind the beauty of a snowstorm. But neither Emerson nor even the old-timers who remember the great Blizzard of '88 could foresee the ingenuity now being exercised by science to obliterate snow and break the "privacy of storm."

Some say there will never be another storm as costly as that Blizzard of 1888, which took 200 lives in New York City alone and caused damage estimated at 20 million preinflation dollars. But New York and other major cities in the snow belt are taking no chances.

Their interest in new techniques is piqued by the possibility of saving millions of dollars in snow-removal expenditures. New York City, for example, expends nearly $1.5 million each time it has a snowfall in excess of 12 inches.

New York Deputy Mayor Paul Screvane, who suffered through many snowstorms as the city's sanitation commissioner, voiced his feelings this way: "Science has allowed snow removal techniques to lag a whole century behind the times. We are still using shovels, just as they were 100 years ago. What we need is an altogether new concept of snow removal."

This "new concept" may be provided by highly-touted snow-melting machines that will face actual snow conditions for the first time in New York this winter. Two models, both tested on mounds of shaved ice, operate on essentially the same principle. They reduce windrows of street-blocking snow to watery slush that can be carried away by sewers.

One snow melter developed by Peabody Engineering Corporation employs a direct-contact water heater to melt snow and discharge it into catch basins at a rate of 275 gallons a minute. Manufacturers of the Peabody device claim that

"Submerged combustion" snow melter employs hot combustion gases that are blown into a tank where water is heated, agitated. Two gallons of oil melt ton of snow.
Thermal Research and Engineering Corp.

Municipal sanitation officials watch with interest as new snow melter reduces hazardous snow to slush that runs into sewers. Melter affords safety at low cost.
Peabody Engineering Corporation

it will melt and dispose of snow for 25 cents a cubic yard, a saving of $1.20 a cubic yard or more than $1 million a snowfall under New York's current snow removal costs.

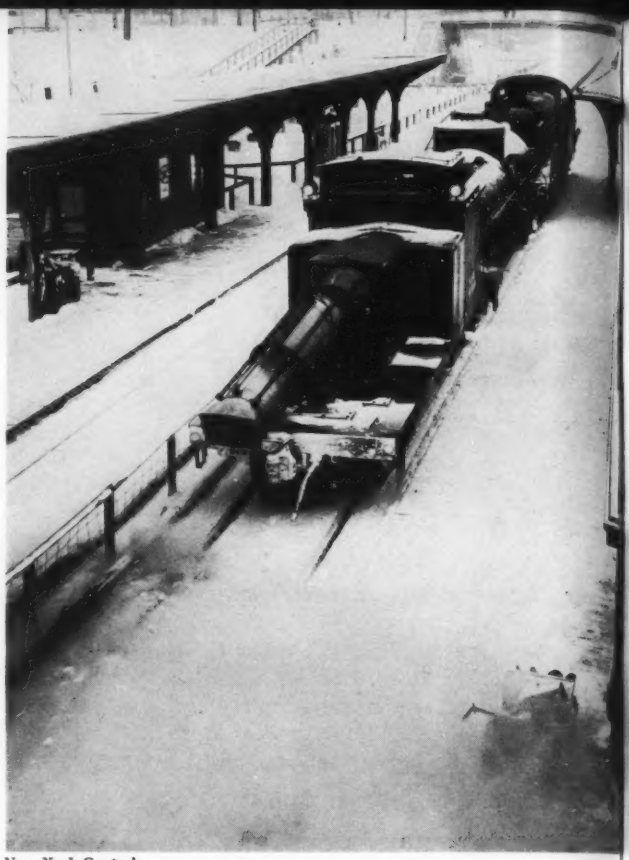
Peabody engineers say that 10 snow-melting machines would remove 1 million cubic yards of critical snow from New York City streets in 166 working hours. One of Peabody's $50,000 units with a melting capacity of 100 tons an hour is now being used by New York City's department of sanitation. Two other machines, 25-ton-an-hour models, are used by the New York Port Authority to clear arterial streets leading to George Washington Bridge.

Thermal Research & Engineering Corporation, Conshohocken, Pennsylvania, has another snow-melting machine that has interested New York City and other municipalities. Using as a melting agent highly agitated water heated to 40-45° F., the Thermal snow melter uses "submerged combustion" to melt snow and drain it into sewers at the rate of 300 gallons a minute. In a test at Esso Research Center, Linden, New Jersey, the Thermal snow melter disposed of 50 tons of ice in 30 minutes. Thermal units are said to be able to melt in one hour the amount of snow carried in 40 trucks.

If these snow melters live up to their initial promise, New York may substantially reduce the $7 million snow trucking bill it paid last winter. Other municipalities will have the means to keep their streets open at minimal cost. And the nation's business will suffer fewer dips caused by severe winter weather.

Workable snow-melting devices soundly engineered will solve a problem that has become more vexing with the growth of our vehicle population. Laymen frequently suggest that Army-style flame throwers be used to melt snow. Sanitation officials reject this seemingly simple solution because flame throwers would not heat pavements, thereby creating icy surfaces worse than the snow itself. Open flames, moreover, have a thermal efficiency of only 30 per cent because they heat air as well as snow. Snow melters have almost 100 per cent thermal efficiency since their heat is applied only to snow.

Radiant heating below streets, sidewalks and crosswalks is used by some cities and by many private landowners. Such devices, employing either hot water pipes or electric heating coils, effectively remove snow and keep pavements dry. Unfortunately they cannot be economically installed in all critical areas, and the cost of installation is prohibitive if pavement must be broken and restored.



New York Central

Inventors have spent considerable time attempting to develop additives to be mixed with street and sidewalk paving materials that would melt ice and snow. Most additives, including an English product that makes asphalt conduct electricity, have been abandoned as impractical or economically unsound.

Measures effective in light snowfall include use of ice-melting rock salt and such abrasives as sand to provide traction for vehicles and pedestrians. Rock salt is scattered not for its abrasive quality, but to prevent ice and snow from bonding to pavements. Municipalities using salt got a break this year when a price war drove the cost of ice-melting salt down from about $12.50 to $7 a ton. Rock salt, however, does not reduce the amount of snow. Nor does calcium chloride, an efficient ice-melting chemical that has the dual disadvantage of being costly ($25 to $30 a ton) and of harming dogs and other pets if they ingest it.

Regardless of claims that old-time winters were most severe, statistics show that excessive snowfall continues to be a problem. U. S. Weather Bureau records rate these snowfalls as tops: Paradise Ranger Station, Washington, greatest season's snowfall, 1,000.3 inches in 1955-56; Tamarack, Cali-

fornia, heaviest one-month fall, 390 inches in January, 1911; and Silver Lake, Colorado, largest 24-hour concentration, 76 inches on April 14-15, 1921.

Each of these records was set at a high elevation station where little property and few lives are endangered by excessive snowfall.

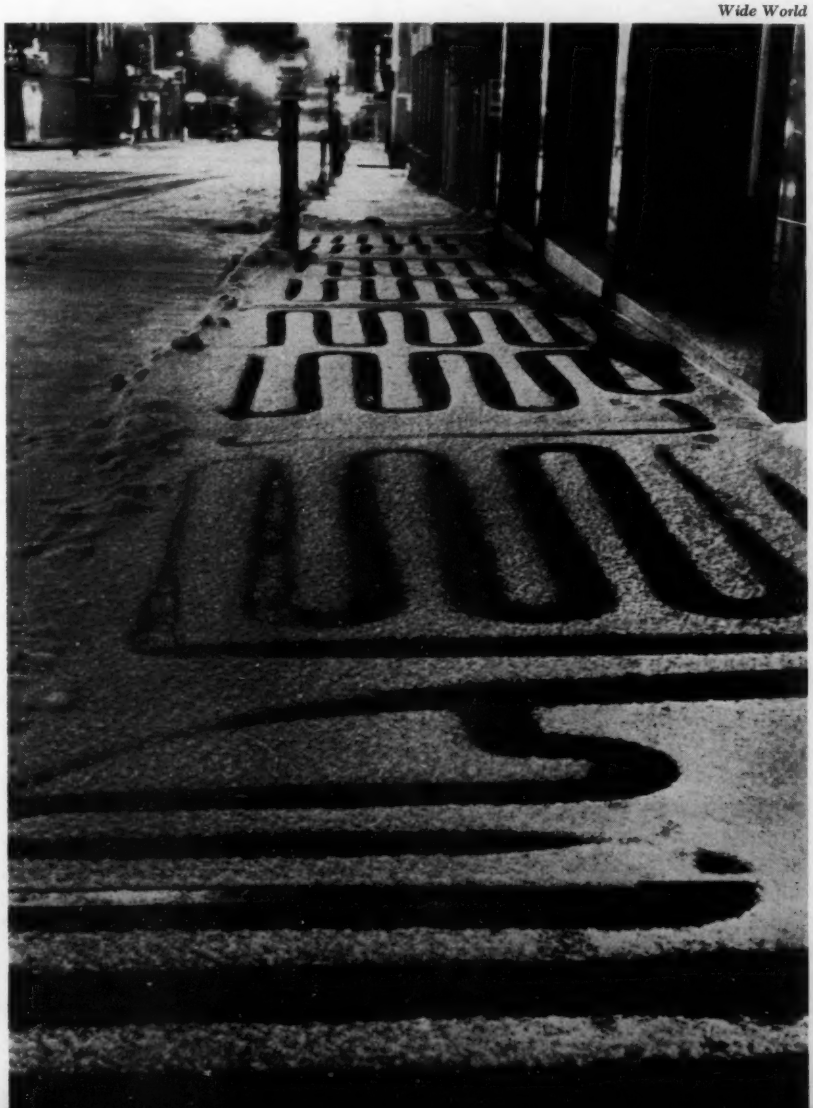
When snow invades our crowded cities, property valued at millions of dollars is threatened, vital commercial operations are slowed and the lives of thousands are menaced by hazardous street conditions. Accumulation of more than four inches of snow on city streets requires emergency removal.

Such operations were all too frequent during the winter of 1960-61, a season that produced some of the century's worst snowstorms, particularly on the East Coast. Snowfall statistics for 1960 in major northern cities were: Denver, 74.8 inches; Des Moines, 50.5; Chicago, 48.6; Baltimore, 48.4; Boston, 51.7; Pittsburgh, 69.9; New York City, 41.5. Largest 24-hour snowfalls were recorded in Boston, 17.7 inches on March 3-4, and in New York, 15.2 inches on December 11-12.

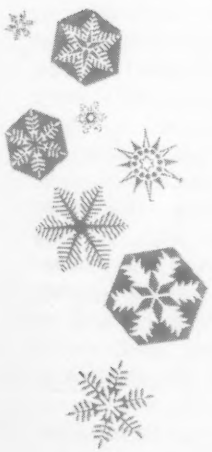
Mutual insurance companies, whose basic tenet is the reduction of losses so that insurance may be provided at lower cost, have long been interested in the improvement of snow removal operations. Clear streets mean fewer accidents and lower auto insurance rates for mutual policyholders. Mutual companies urge insureds to keep private snow removal equipment available if they operate such installations as apartment houses, factories, supermarkets, shopping centers or hospitals. Though no premium credit is allowed for snow removal equipment on general liability or multiple peril policies, the mutual policyholder who uses such devices realizes a savings in dividends resulting from reduced claims.

Now that science has joined the battle against snow, perhaps the "tumultuous privacy of storm" may some day be a thing of the past—at least in our major cities. ⊙

Wide World



Jet snow blower, converted from a surplus B-36 bomber engine, clears New York Central tracks on commuter line near Scarsdale, New York. Snow is blasted off the track by gusts of 1,000 mph developed by jet mounted on caboose. Tank car holds fuel.



An artistic pattern is created by radiant heating beneath sidewalk in Leavenworth, Kansas. Within one hour after this picture was taken steam-heated sidewalk was free of snow and entirely dry. Insurance companies urge that policyholders have snow removal equipment available to clear areas used by public.

Arbitrators are now settling cases in months while congested courts take years.

THEY'RE BREAKING THE LOG J

"Discourage litigation. Persuade your neighbors to compromise whenever you can. . . . There will still be business enough."

—ABRAHAM LINCOLN, *on legal ethics, 1850.*

AFTER 111 YEARS, Lincoln's admonition is still good advice and good prophesy. Today's legal system indeed has "business enough." In Chicago, New York and other major cities, a person filing a damage suit this week can expect to wait from one to seven years for it to come to trial, unless he can demonstrate hardship and get his case moved ahead on the congested court calendars.

Less well known is the fact that thousands of disputes once destined for the courts are now being settled quickly, fairly and at small expense by arbitration instead of by lawsuit.

Insurance companies, dismayed by the time, expense and inequities involved in delayed court action, used arbitration in handling some 40,000 disputed claims last year alone. This not only kept a large number of lawsuits out of the crowded courts. It also benefited the insurance-buying public by speeding settlement of claims and by enabling some claimants to collect small claims that would not have been worth the expense of going to court.

Most of the claims arbitrated involved disagreements over the amount owed for auto repairs, but there is a growing trend toward referring more complicated insurance cases to arbitrators as well.

One fast-growing category involves claims growing out of the new "uninsured motorists coverage" now available to auto owners in most states. For a small additional premium, the auto insurer agrees to pay the policyholder for injuries inflicted by hit-and-run drivers and by motorists who have no insurance and no money. When this coverage

was first offered about 1957, insurers realized that it would cause some disputes with their own policyholders, and they wanted to deal with them in an atmosphere more friendly than a courtroom.

They asked the American Arbitration Association, an independent, nonprofit organization, to set up a special Accident Claims Tribunal for this

JAM IN CLAIMS

purpose. The AAA had been administering similar arbitration panels for labor and commercial disputes for many years, and had a reputation for scrupulous impartiality.

The program has been remarkably successful. Last year 646 disputes were arbitrated from coast to coast, and the total this year is expected to run more than 1,500. This number is certain to grow as more auto policies are sold with uninsured motorists coverage included, since the policy requires both policyholder and insurer to arbitrate if they cannot settle a claim by the usual process of give-and-take.

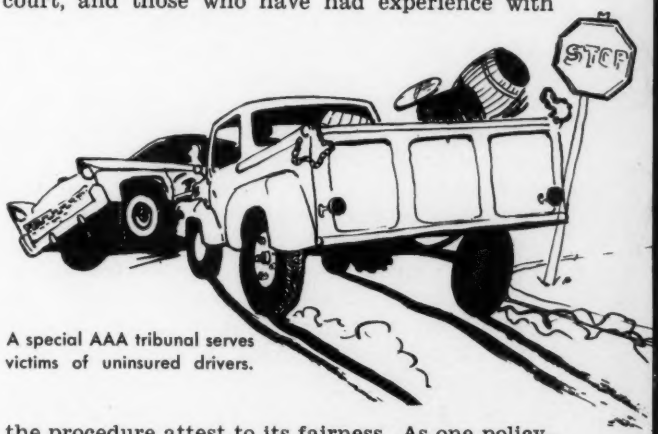
Either the policyholder or the company can request arbitration by filing notice with one of the AAA's 16 regional offices and paying the $50 filing fee. The AAA then notifies the other party and draws the name of an arbitrator from a carefully screened list of 12,500 attorneys in 1,600 U. S. cities. They usually serve without charge. If either side objects to the man selected, his name is withdrawn and another arbitrator chosen.

The AAA arranges for a hearing at a time and place convenient to all. Often it is held at the arbitrator's office. His job is not to bargain or try to compromise the dispute, but to hear the evidence presented by each side and then render a decision in much the same way as a court. Hearings rarely last more than one day.

"The burden of proof is not on one side more than the other," says John Eastman, Jr., who administers the Accident Claims Tribunal. "It is the obligation of both sides to try to convince the arbitrator through testimony of witnesses, presentation of exhibits and cross-examination of opposing witnesses."

Once the hearing is adjourned, the arbitrator has 30 days to make his decision and announce the award. His ruling is binding on both parties and in most states cannot be appealed in the courts unless misconduct or bias can be proved. In practice, very few cases wind up in court.

Arbitration's advantages are summed up by the AAA's slogan, "speed, economy and justice." Most cases are settled and the claimant has his money, if he is entitled to any, within 90 days from the date the case is filed with the AAA. The cost of arbitrating a claim is negligible compared with the expense of carrying it to trial in a congested court, and those who have had experience with



A special AAA tribunal serves victims of uninsured drivers.

the procedure attest to its fairness. As one policyholder put it, "Why didn't somebody think of this sooner?"

Actually, insurance companies have been using arbitration in settling their own disputes for many years, under three separate plans. Largest and oldest is the Intercompany Arbitration Agreement, begun in 1944 by the National Association of Mutual Casualty Companies and the Association of Casualty and Surety Companies.

Some 350 of the nation's auto insurance companies are now pledged to arbitrate disputes arising between companies over bills for auto repairs and damage to plate-glass windows. Here is an actual case:

A secretary driving home from work in a Chicago suburb was hit broadside at an intersection by a car driven by a bricklayer. He claimed she pulled out of a side street into his path; she maintained that the bricklayer was driving too fast. The question: Who pays for fixing her car?

Her own insurance company took bids from three garages and authorized her to have repairs made, at a cost of $591.44. She paid the first $50, since

If they're both insured, the two companies may arbitrate.

her auto collision coverage had a $50 deductible provision, and the insurer paid $541.44. Then the company asked the bricklayer's insurer for reimbursement under the liability portion of his auto policy. The other insurer refused, saying its policyholder wasn't at fault.

In the old days, the secretary would have been out of pocket $50, since it really isn't worthwhile to file a lawsuit for that amount. Or she might have been tempted to dream up some belated personal injuries to improve her bargaining position. Her insurer also would have been forced to absorb its loss or go to court.

Instead, her insurance company took the case to arbitration and recovered its $541.44. The bricklayer's insurer paid up promptly and also sent a $50 check to the secretary, covering the amount not paid by her own policy. Although she was not a party to the arbitration, she was paid under a gentleman's agreement adhered to by all insurers using the arbitration plan.

Encouraged by the success of the intercompany agreement, the insurance industry has since devised a similar plan to handle disputes between U. S. and Canadian insurance companies, and is now moving ahead with a third plan called the Special Arbitration Agreement. It covers disputes where a defendant has overlapping insurance coverages with different companies, or where an injured person sues several other persons with different insurers. If all the insurance companies can get together and satisfy the claimant, they can then arbitrate any disputes among themselves over who's to foot the bill.

This plan was introduced in New York City in 1957 and was extended this fall to Newark, Philadelphia, Chicago, San Francisco and Los Angeles. Atlanta is expected to be added by January. Cases will be fewer than under the intercompany agreement, but more complicated.

In addition to all these arbitration plans, insurers have attempted at various times to interest plaintiff attorneys in arbitrating personal injury cases. The reaction has been overwhelmingly negative, although attorneys who have had actual experience with arbitration are generally enthusiastic about its possibilities for property damage cases.

As the insurance-buying public and the legal profession gain more confidence in arbitration, the insurance industry has hope that it will be accepted as a good way to settle the vast numbers of small claims of all kinds that now burden the courts and waste everybody's time and money. ⊙

COAL MINING GOES COLOSSAL

Behemoth mechanized diggers attest to coal's assured fuel role for many centuries.

SEATED COMFORTABLY in an air-conditioned control room 50 feet above ground near Paradise, Kentucky, a machine-riding jockey will soon be making the Bluegrass State famous for something more than fast horses and beautiful women.

His giant machine, largest self-powered land vehicle ever built, has the capability of uncovering enough coal in a day to heat 7,500 homes for a month. With each pass of its 115-cubic-yard shovel, the 14-million-pound digger can gulp up a third of a million pounds of earth. And all the operator need do is work two hand levers and two foot pedals.

Now being erected at the western Kentucky site, where its components were transported in 300 railroad cars, the big dipper is the product of Bucyrus-Erie Company, a mutual insurance policyholder located in South Milwaukee, Wisconsin. It is just one of hundreds of new machines that are changing coal

This earth-chewing monster, now being erected in western Kentucky, will be able to deliver a third of a million pounds of coal with a single swoop of its big shovel. Operator will ride an elevator up five stories to his picture-windowed control room.

Bucyrus-Erie Company

Standing 140 feet high and once considered the ultimate in coal strip mining, the "River Queen" will soon be dwarfed by diggers more than three times as heavy. Both sizes are manufactured by Bucyrus-Erie, a mutual policyholder with Kemper Insurance group.

Coal Mining Goes Colossal

mining from a backbreaking business to one of the world's most mechanized industries.

Today's coal miners are no longer pick-and-shovel laborers, but rather highly skilled technicians who have boosted their output in the last decade by 92 per cent per man.

But this is just a start. Last year the coal industry spent some $200 million for new plants and equipment and another $500 million for operating and maintenance supplies. During the next 10 years, coal mining firms are expected to spend about $8 billion on these items.

Such expenditures are disproving the belief by some that coal is a "used-up" fuel. Last year 435 million tons of anthracite and bituminous coal flowed from strip and pit mines, supplying more than a fourth of the nation's energy requirements.

By 1975, experts predict, we will be using twice the coal tonnage we're using today. They also forecast that our vast coal reserves will last another 1,000 years.

To keep pace with the increased demand, and at the same time remain competitive with other fuels, the coal industry has mobilized an almost unbelievable assortment of modern machinery.

In addition to the previously mentioned giant coal shovel, which will tower 45 feet higher than Niagara Falls and is expected to further reduce costs of strip mining, mechanical marvels are burrowing underground in pit mines. Joy Manufacturing Company of Pittsburgh, also a policyholder with a mutual insurance company, is the world's largest builder of underground mining machinery.

Joy is now experimenting with what it calls a "Pushbutton Miner" that is expected to measurably reduce the per-ton cost of mining. Resembling a multistoried parking garage perched on tractor treads, this unit will enable one man, sitting in a control station outside the mine, to dig coal as deep as 1,000 feet underground.

This mining marvel chews into coal veins with controlled ease. The digging unit is followed into

Revolving teeth of this boring-type continuous miner can tear coal from seam at rate of eight tons a minute, then load it on conveyor belt or shuttle cars.

"Low bridge" doesn't stop this six-wheel shuttle car, one of latest developments in underground mining. However, driver finds his hard hat reassuring.

Joy Manufacturing Company

the ground by a train of portable conveyors which send a steady flow of coal out to a main belt that carries the fuel away from the mine site. The operator keeps in touch with the underground movements through instrument signals transmitted from sensing devices on the boring unit.

Predating the "Pushbutton Miner" and now in popular use is a boring-type continuous miner that requires an operator to follow it into the mine. With revolving steel teeth it rips coal from seams at a rate of eight tons a minute. Big mechanical "gathering arms" scoop the fuel from the mine floor and load it onto conveyor belts or shuttle cars. This machine has been a boon to pit, or underground, mining which accounts for 69 per cent of the total coal mined.

In strip mining, done whenever possible because of a considerable reduction in labor costs, coal beds lie in relatively shallow ground. Here the huge power shovels, bulldozers and draglines with bucket capacities of 85 cubic yards remove the overburden. Last year the amount of earth removed to reach coal seams was more than five times the dirt excavated for the Panama Canal. Often, after coal-removal operations are completed, land is reclaimed and replanted for crops, orchards and timber.

Still a third method of extracting the valuable black fuel is highwall, or auger, mining, which reaps just two per cent of the total coal output. This is done primarily in hilly regions when strip mining reaches a point where overburden is too thick for profitable coal removal. However, if Joy's "Pushbutton Miner" does what its makers predict, highwall mining could eventually double existing output at strip mines.

Under mechanization, the trend today is toward larger mines and fewer companies. New mine construction is being concentrated on mines of 2,000 to 20,000 tons daily capacity. For instance, the 50 largest mines produced nearly a quarter of the total 1960 tonnage.

Coal is being mined in 26 states and 331 counties. But 87 per cent of the bitminous mines, which account for the large share of total coal tonnage, are located in an eight-state area of Alabama, Illinois, Indiana, Kentucky, Ohio, Pennsylvania, Virginia and West Virginia. These mines produce 93 per cent of the nation's bituminous coal.

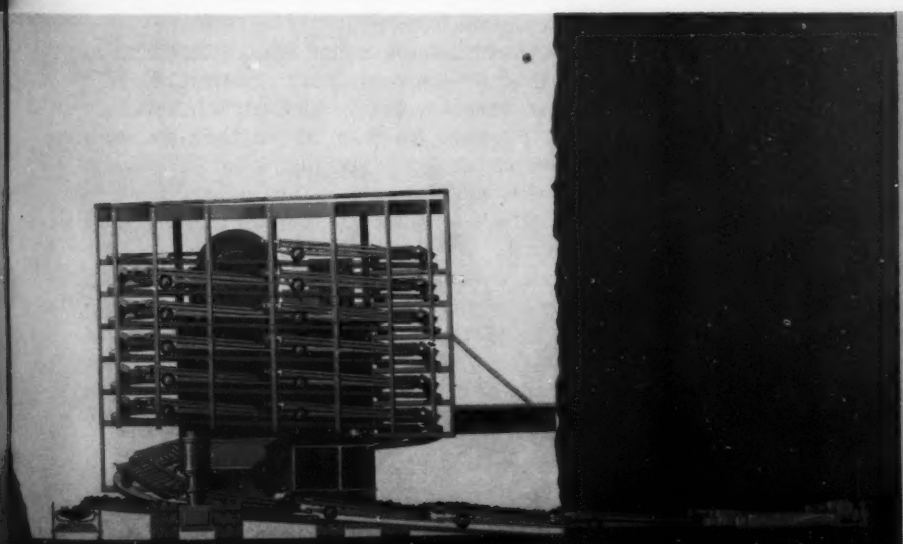
Here and in other less prominent coal mining regions, where heavy machinery and high-speed production create innumerable job hazards, mutual insurance safety engineers work in co-operation with coal mine foremen and mine safety experts. The combined efforts of these men have helped to alleviate the industry's previously poor safety record.

For instance, mine ventilation is down to an exact science, with some 200 billion cubic feet of fresh air pumped into coal mines each day. Inspections for fire hazards are made regularly. Modern-day miners outfit themselves with hard hats, shatterproof goggles and steel-toed shoes.

All of these safety measures, coupled with constant safety instruction by the companies, have given the industry the finest safety record in its history.

Accident statistics show that coal mining is more than twice as safe as it was 10 years ago and five times safer than in 1920. More than 90 per cent of this country's coal mines have fatality-free years, despite inherent hazards in a business that annually uses 370 million pounds of industrial explosives and operates, for the most part, underground.

The tens of millions of dollars spent on measures to guard against mine accidents is money soundly invested. For many years to come, coal will continue to generate electricity, produce metals and provide some 200,000 by-products that range from vitamins to fertilizers. It may always be indispensable for at least one purpose: those eyes for the children's snowmen. A better substitute has yet to be found. ⊙



Expected to revolutionize highwall mining, Joy Manufacturing Company's "Pushbutton Miner" is now in testing stage. Operator, from electronic control center, guides boring unit 1,000 feet into the ground. Portable conveyor train follows, carrying coal from mine. Joy, insured by Liberty Mutual, is world's largest manufacturer of underground coal-mining equipment.

We're sacrificing lives
and wasting fire-fighting funds until we

EVERY FOUR MINUTES—around the clock—fire trucks, with their sirens wailing, roar from a station somewhere in the United States to answer a false alarm.

This growing problem involves fire departments throughout the country and is far more than a harmless prank. To fire fighters, false alarms are a waste of valuable equipment and man power and, in many cases, a dangerous crime involving deaths, injuries and property damage.

Mutual insurers have a vital interest in fire alarms—false and otherwise—as measured by some $180 million in losses incurred under mutual fire policies last year. In the light of such figures, the nation's fire prevention and fire-fighting forces are hard-pressed as it is; every false alarm immobilizes just that much equipment and puts that much added pressure on the rest of the available facilities and men.

Last year in 806 cities of more than 20,000 population, there were 121,147 false alarms, or 10.6 per cent of the total calls. Of this total nearly half occurred in 10 of our largest cities with Chicago and New York together reporting more than 34,000.

Who turns in false alarms? Why? What's being done to curb them? For the answers the JOURNAL questioned fire chiefs and other department personnel in cities both large and small. Nearly all of those questioned agreed that false alarms are on the increase and that school children are the major offenders. But they differed somewhat in their theories as to why this is so and what should be done to counteract it.

Youngsters sound nearly all false alarms during evening hours and school vacations.

Battalion Chief Martin T. Petersen of the Los Angeles Fire Department said that false alarm setters give a variety of excuses for their illegal actions. Children often say it was because of a dare or that they wanted to see what would happen. Adults, says Petersen, pull alarms because they are angry at someone or something or are pulling a gag on friends.

In Rockford, Illinois, Chief Wayne E. Swanson reports that a telephone alarm system has met with some success in easing that city's false alarm problem. However, Swanson added, the new boxes have been mistaken for taxi phone boxes. Persons making this error usually hang up when a fire operator answers. But these, like all alarms, must be answered.

False alarms don't always end with the firemen and their equipment returning, after a brief interruption, to their stations. Chief E. W. Fields of the Omaha Fire Department told the JOURNAL: "As a result of collisions with other vehicles (fire

Fire safety education is one method that is often used to overcome false-alarm problem.

or civilian) over the years, a total of six firemen and two civilians have been killed when fire vehicles were responding to false alarms. An undetermined number have been injured for the same reason."

In Los Angeles two engine companies collided at an intersection and several men from each company were seriously injured. One company was answering a false alarm.

The city with the most severe false alarm headache is Chicago, where firemen last year answered 17,703 false alarms. This figure accounts for nearly one-third of the city's total alarms. The Chicago Junior Association of Commerce and Industry is making a study of the problem. Its preliminary report states that the 7- to 10-year age group contains the largest number of culprits, with 90 per cent of the offenders residing in high-crime areas.

In the course of its investigations, the Chicago association found cases where 3- and 4-year-olds have participated in alarm settings, with the larger tots giving their side-kicks a boost up to the alarm box.

New York City, which follows Chicago with 16,326 false alarms, has had a false alarm increase of more than 50 per cent in the past decade. A spokesman said: "We have tried every conceivable way of solving the problem, but the situation is getting worse, not better." During the first seven months of this year, New York's false alarm rate jumped 12.7 per cent above the figure for the same period in 1960.

False alarm costs vary from $50 to $450 each, depending on the size and location of the department. But at a conservative average of $100, the total expense last year exceeded $12 million.

Fire departments everywhere, from small, volunteer groups to large metropolitan forces, are working with school-age youngsters in efforts to educate them in the hazards involved in sounding false alarms.

Omaha's Chief Fields, one of few fire department officials who can report a decline in false alarms, said: "Continuous education regarding false alarms and their possible consequences to individuals, families, homes and places of business has proved successful. We find that age groups included in the fifth and sixth grades, and even younger, are most impressed in this regard."

One battalion commander feels that more parental responsibility is the best hope. He explained: "By pointing out to parents that false alarms are costly to them if they don't control their children, you've hit them where it hurts—in their pocketbooks." Parents can and have been held liable for damages resulting from false alarms turned in by their children.

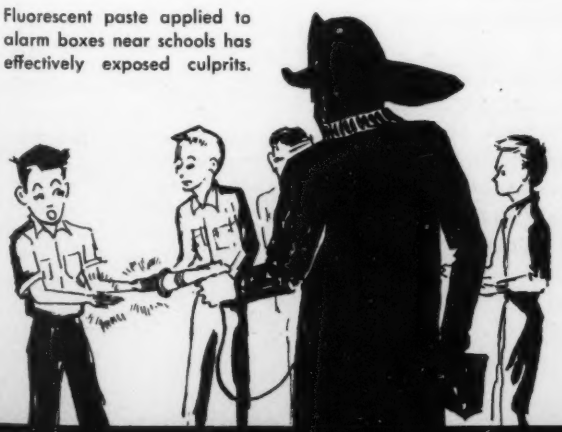
Firemen are getting some help from private firms who believe, and rightly so, that a sure-fire false alarm deterrent would be a most lucrative product. A New York company now makes a fluorescent paste which can be applied to alarm box handles. The paste, invisible in ordinary light, shows up as bright green under a "black" light. It won't wash off for five weeks.

This paste has been particularly effective on boxes near schools. After a false alarm has been sounded, firemen take a portable fluorescent light with them to the school and make a quick search for the green-handed gremlin.

Also being used is a flasher which makes a loud squawking noise whenever an alarm is tripped, calling attention to the person near the alarm box. Another invention, never adopted, provided a clamp that sprang out and "handcuffed" the alarm puller.

Firemen appreciate these efforts. But most of them feel that education for those who can be educated, coupled with legislation backed by strong court enforcement for those who refuse to be educated, is the ultimate answer in curbing false alarms. ⊙

Fluorescent paste applied to alarm boxes near schools has effectively exposed culprits.



LOOK WHAT'S COMING!

Those strange, gargantuan cargoes are feats in shipping for our unexcelled transporters.

Wide World

Federal Reserve System, supplier of new coins and bills, ships up to $60 million a week during Christmas shopping spree.

TRANSPORTING A 1,300-TON atomic submarine can be a ticklish problem, even if the distance is only 200 yards. Just such a puzzle confronted a mutual insurance policyholder under contract to move the vessel into a government test building.

Insurance underwriters and those managing the move were acutely aware that improper bracing could rip the hull apart at its seams. Stress at the wrong point might topple the gigantic metal fish, damaging equipment valued at several hundred thousand dollars. Mutual loss prevention engineers participated in drawing blueprints and in surveying the moving route. A specially-trained crew built a ramp, lifted the submarine on a cradle and rolled it safely to its destination on ball-bearing dollies.

Such mammoth moving problems become commonplace for our transportation industry as military and industrial needs grow in size as well as scope. U. S. industry has placed an increasing burden on transportation facilities by shipping units completely assembled to avoid field fabrication costs. Industrial growth has demanded ever-larger tanks, turbines, diesel engines, condensers and prestressed building components, as well as vast protective vessels to contain nuclear reactions. These demands have set record loads on U. S. railroads at 803,000 pounds (for a seven-mile length of submarine cable) and 208.5 feet in length (for a refining tower carried on six flat cars). Trucks, too, are shouldering huge loads, such as an ICBM missile packed with 100,000 pounds of fuel.

Defense shipments, including missiles and rockets aimed at space conquest, add another vast dimension to the nation's cargo-handling problem. Contractors frequently ship military items worth millions of dollars, which must be protected by transportation insurance until they are received by the Department of Defense. Mutual property-casualty insurers participate in coverage for contractors involved in producing no less than a dozen types of our country's rockets, missiles and pilotless aircraft.

BY TRUCK

One of biggest loads ever moved on New England highways was this 25-ton radar antenna, 104 feet long. Antenna crosses Boston's Neponset River Bridge on its way to Air Force station in Quincy, Massachusetts. Mutual insurance covered both carrier and shipper, the Raytheon Company.

Wide World

BY RAIL

Distillation tower 160 feet long and weighing 313,217 pounds was moved on two heavy-duty flat cars and three other flat cars. Santa Fe and other railroads maintain that almost any load may move by rail. Produced for Mobil-Oil Co., Beaumont, Texas, tower was made under mutual insurance aegis.

Sante Fe Railroad

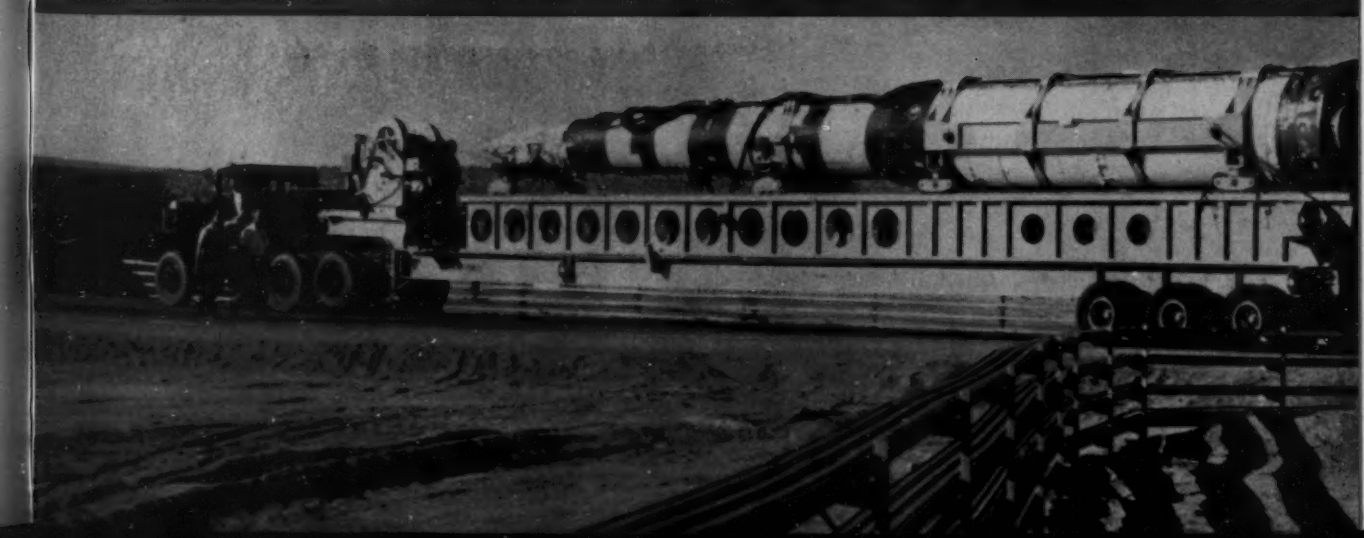
BY CARRIAGE

Air Force Minuteman ICBM rides to its launching site, Edwards Air Force Base, California. In recent years military shipments, especially those connected with the space race, have set freight records. Missiles, rockets roll on transerectors. Size, weight, hazards of loads make safety important.

Thiokol Chemical Corporation

DRUGS
COLBY
APOTHECARY
Coca-Cola
TRANSPORTED BY
JENKINS
TRANSPORTATION CO.

BETHLEHEM STEEL COMPANY
SHIPBUILDING DIVISION
BEAUMONT YARD
TEXAS



Look What's Coming

Secrecy in the production and shipment of new defense materials presents special problems for insurers. Ordinarily an underwriter cannot confidently quote rates or issue a policy without knowing the nature of the shipment, loading and unloading facilities, storage arrangements and packing methods. Under wartime and cold-war secrecy regulations, such information is frequently withheld, forcing insurers to provide coverage without inspection of risks. Insurers often participate in planning moves like that of $5 million worth of Sonar equipment transported from the Pacific Coast to Florida. Sonar, designed to detect alien submarines too close to U. S. shores, requires special trucking equipment to support its weight. A dry run was made to test a prearranged route, and during the actual move speeds were restricted to 20 mph.

Dry runs and elaborate arrangements are not uncommon in this day of sensational shipments. Underwriters of one major mutual company spent an uncomfortable week when their company carried products liability coverage on a train load of deadly hydrogen cyanide, the poison commonly used in gas chambers. On a move from Texas to the East Coast, the convoy of railroad tank cars moved over a route chosen to avoid heavily-populated areas. Special signs on the cars carried instructions for police or National Guardsmen who might be called in case of disaster. At the mutual policyholder's plant, an emergency crew and an airplane stood by until the lethal shipment reached the consignee.

Elaborate loss prevention arrangements were also necessary when a mutual company insured the movement of $1 billion in cash and negotiable securities from the old Los Angeles Hall of Records to the new County Hall of Administration. Dubbed "Operation Midnight," the move was planned for three months and involved 500 armed deputies, a helicopter and several squad cars to protect the shipment as it moved through a three-block tunnel in two carts.

It required more than seven hours to tote the valuables in $10 million lots past 16 tunnel check points equipped with walkie-talkie radios. A 42-page procedural manual prepared for the move included controls on the food and drink taken by policemen guarding the shipment and deployment of machine guns, shotguns, grenades and gas masks in the tunnel area. A mutual insurance burglary policy in the amount of $10 million protected "Operation Midnight."

Movement of funds of Los Angeles county was a once-a-century operation, but mutual insurance has a continuing interest in cargoes through its inland and ocean marine coverages for shippers and public liability and property damage policies for carriers. Losses of more than $25 million were paid in 1960 by mutual property-casualty companies under various transportation policies.

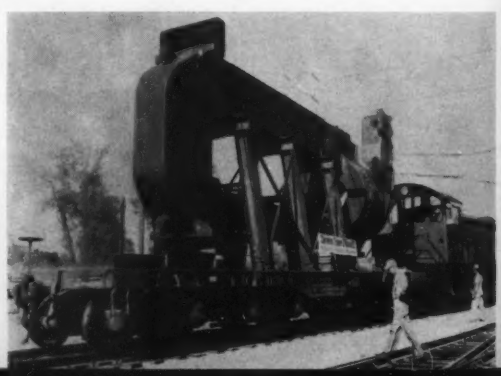
With so large a stake in cargo safety, insurers welcome loss prevention measures taken by the nation's $20 billion freight-transport industry. Damage prevention is under laboratory study at such places as the Association of American Railroads' Research Center in Chicago. Here all types of cargo are submitted to every conceivable indignity to find better methods of packing, stowage and freight car design.

Out of such research has come extensive use of palletization; boxcars fitted with cross members and deck boards; super flatcars 124 feet long; and recommendations for improved containerization and piggybacking, which reduce losses from theft and breakage. Truck research has produced such marvels as air suspension and a 250,000 pound motorized transerector that carries and places rockets.

These loss prevention efforts gain in importance as the nation's electronics industry, for example, produces computers and other devices that are regularly shipped in lots valued at $1.5 to $2 million. Though such electronic machinery involves few bulk and weight problems, it poses handling difficulties because of its extreme delicacy. Such is also the case with medical supplies that now include specialized items as Dacron artery walls and sight-giving eye corneas, which are frequently shipped by rapid airfreight.

There are an infinite variety of special services offered by the nation's transportation complex, and improved handling for more challenging cargoes is in the offing. At this year's International Cargo Handling Exposition, a firm showed an 8 by 8 foot oversized freezer brought to −300° F. by a charge of liquid nitrogen. In containers 10,000 pounds of frozen food can be shipped without additional refrigeration and delivered at below-freezing temperatures after a four-week journey.

Such cold cargoes, and "hot" ones too, are moving smoothly under the protective canopy of transit insurance. ⊙



Casting weighing 225 tons was one of the heaviest shipments ever loaded on single freight car. Shipments sometimes require design of special rail cars.

The Milwaukee Road

MEMBER COMPANIES, AMERICAN MUTUAL INSURANCE ALLIANCE

Abington Mutual Fire Insurance Company
ABINGTON, MASSACHUSETTS

Allied American Mutual Fire Insurance Company
WAKEFIELD, MASSACHUSETTS

American Hardware Mutual Insurance Company
MINNEAPOLIS, MINNESOTA

American Manufacturers Mutual Insurance Company
CHICAGO, ILLINOIS

American Mutual Fire Insurance Company
CHARLESTON, SOUTH CAROLINA

American Mutual Liability Insurance Company
WAKEFIELD, MASSACHUSETTS

American Mutual Reinsurance Company
CHICAGO, ILLINOIS

Atlantic Mutual Fire Insurance Company of Savannah
SAVANNAH, GEORGIA

Attleboro Mutual Fire Insurance Company
ATTLEBORO, MASSACHUSETTS

Automobile Mutual Insurance Company of America
PROVIDENCE, RHODE ISLAND

Badger Mutual Insurance Company
MILWAUKEE, WISCONSIN

Berkshire Mutual Insurance Company
PITTSFIELD, MASSACHUSETTS

Central Mutual Insurance Company
VAN WERT, OHIO

Chicago Mutual Liability Company
CHICAGO, ILLINOIS

Church Mutual Insurance Company
MERRILL, WISCONSIN

Cincinnati Equitable Insurance Company
CINCINNATI, OHIO

Citizens Mutual Insurance Company
JANESVILLE, WISCONSIN

Consolidated Mutual Insurance Company
BROOKLYN, NEW YORK

Covington Mutual Insurance Company
COVINGTON, KENTUCKY

Cream City Mutual Insurance Company
MILWAUKEE, WISCONSIN

Dorchester Mutual Fire Insurance Company
BOSTON, MASSACHUSETTS

Druggists Mutual Insurance Company
ALGONA, IOWA

Employers Mutual Fire Insurance Company
WAUSAU, WISCONSIN

Employers Mutual Liability Insurance Company of Wisconsin
WAUSAU, WISCONSIN

Exchange Mutual Insurance Company
BUFFALO, NEW YORK

Factory Mutual Liability Insurance Company of America
PROVIDENCE, RHODE ISLAND

Federated Mutual Implement & Hardware Insurance Company
OWATONNA, MINNESOTA

Fitchburg Mutual Fire Insurance Company
FITCHBURG, MASSACHUSETTS

Florists' Mutual Insurance Company
EDWARDSVILLE, ILLINOIS

Furniture Mutual Insurance Company
MILWAUKEE, WISCONSIN

Grain Dealers Mutual Insurance Company
INDIANAPOLIS, INDIANA

Granite Mutual Insurance Company
BARRE, VERMONT

Greater New York Mutual Insurance Company
NEW YORK, NEW YORK

Grocers Mutual Insurance Company
HUNTINGDON, PENNSYLVANIA

Guarantee Mutual Assurance Company of America
WORCESTER, MASSACHUSETTS

The Hamilton Mutual Insurance Company of Cincinnati, Ohio
CINCINNATI, OHIO

Hardware Dealers Mutual Fire Insurance Company
STEVENS POINT, WISCONSIN

Hardware Mutual Casualty Company
STEVENS POINT, WISCONSIN

Hardware Mutual Insurance Company of the Carolinas
CHARLOTTE, NORTH CAROLINA

Herman Mutual Insurance Company
IRON RIDGE, WISCONSIN

Hingham Mutual Fire Insurance Company
HINGHAM, MASSACHUSETTS

Holyoke Mutual Fire Insurance Company
SALEM, MASSACHUSETTS

Home Mutual Insurance Co., of Binghamton, N.Y.
BINGHAMTON, NEW YORK

Illinois Mutual Fire Insurance Company
BELVIDERE, ILLINOIS

Indiana Lumbermens Mutual Insurance Company
INDIANAPOLIS, INDIANA

Indiana Union Mutual Insurance Company
INDIANAPOLIS, INDIANA

Interboro Mutual Indemnity Insurance Company
NEW YORK, NEW YORK

Iowa Hardware Mutual Insurance Company
MASON CITY, IOWA

Iowa Mutual Tornado Insurance Association
DES MOINES, IOWA

Continued →

A. M. I. A. MEMBER COMPANIES, *Continued*

Iowa National Mutual Insurance Company
CEDAR RAPIDS, IOWA

Jamestown Mutual Insurance Company
JAMESTOWN, NEW YORK

Jewelers Mutual Insurance Company
NEENAH, WISCONSIN

Kewaskum Mutual Insurance Company
KEWASKUM, WISCONSIN

Liberty Mutual Insurance Company
BOSTON, MASSACHUSETTS

Liberty Mutual Fire Insurance Company
BOSTON, MASSACHUSETTS

Lowell Mutual Fire Insurance Company
LOWELL, MASSACHUSETTS

The Lumber Mutual Fire Insurance Co. of Boston, Mass.
BOSTON, MASSACHUSETTS

Lumbermens Mutual Casualty Company
CHICAGO, ILLINOIS

The Lumbermens Mutual Insurance Company
MANSFIELD, OHIO

Lutheran Mutual Fire Insurance Company
CHICAGO, ILLINOIS

Lynn Mutual Fire Insurance Company
CONCORD, MASSACHUSETTS

Merchants' & Manufacturers' Mutual Insurance Company
MANSFIELD, OHIO

Merrimack Mutual Fire Insurance Company
ANDOVER, MASSACHUSETTS

Michigan Millers Mutual Insurance Company
LANSING, MICHIGAN

Michigan Mutual Liability Company
DETROIT, MICHIGAN

Middlesex Mutual Assurance Company
MIDDLETOWN, CONNECTICUT

Middlesex Mutual Fire Insurance Company
CONCORD, MASSACHUSETTS

Mill Owners Mutual Insurance Company
DES MOINES, IOWA

The Millers Mutual Fire Insurance Company
HARRISBURG, PENNSYLVANIA

The Millers Mutual Fire Insurance Company of Texas
FORT WORTH, TEXAS

Millers Mutual Insurance Association of Illinois
ALTON, ILLINOIS

Minnesota Mutual Fire & Casualty Company
MINNEAPOLIS, MINNESOTA

Mountain States Mutual Casualty Company
ALBUQUERQUE, NEW MEXICO

Municipal Mutual Insurance Company of West Virginia
WELLSBURG, WEST VIRGINIA

Mutual Assurance Company for Insuring Houses from Loss by Fire
PHILADELPHIA, PENNSYLVANIA

Mutual Boiler and Machinery Insurance Company
WALTHAM, MASSACHUSETTS

Mutual Fire Insurance Company
SACO, MAINE

National Mutual Church Insurance Company
CHICAGO, ILLINOIS

The National Mutual Insurance Company
CELINA, OHIO

New Castle Mutual Insurance Company
WILMINGTON, DELAWARE

Norfolk and Dedham Mutual Fire Insurance Company
DEDHAM, MASSACHUSETTS

Northwestern Mutual Insurance Company
SEATTLE, WASHINGTON

The Ohio Hardware Mutual Insurance Company
COSHOCTON, OHIO

Pawtucket Mutual Insurance Company
PAWTUCKET, RHODE ISLAND

Pennsylvania Lumbermens Mutual Insurance Company
PHILADELPHIA, PENNSYLVANIA

Pennsylvania Millers Mutual Insurance Company
WILKES-BARRE, PENNSYLVANIA

The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire
PHILADELPHIA, PENNSYLVANIA

Preferred Mutual Insurance Company
NEW BERLIN, NEW YORK

Republic Mutual Fire Insurance Company
KANSAS CITY, KANSAS

Richland-Knox Mutual Insurance Company
MANSFIELD, OHIO

Security Mutual Casualty Company
CHICAGO, ILLINOIS

Snake River Mutual Insurance Company
BOISE, IDAHO

Texas Employers' Insurance Association
DALLAS, TEXAS

Town Mutual Dwelling Insurance Company
DES MOINES, IOWA

Traders & Mechanics Insurance Company
LOWELL, MASSACHUSETTS

Union Mutual Insurance Company of Providence
PROVIDENCE, RHODE ISLAND

United States Mutual Liability Insurance Company
QUINCY, MASSACHUSETTS

Utica Fire Insurance Company of Oneida County, N.Y.
UTICA, NEW YORK

Utica Mutual Insurance Company
UTICA, NEW YORK

Utilities Mutual Insurance Company
NEW YORK, NEW YORK

Ventura County Mutual Fire Insurance Company
VENTURA, CALIFORNIA

West Bend Mutual Insurance Company
WEST BEND, WISCONSIN

Worcester Mutual Fire Insurance Company
WORCESTER, MASSACHUSETTS

CANADIAN ASSOCIATE MEMBERS

The Economical Mutual Insurance Company
KITCHENER, ONTARIO, CANADA

Gore Mutual Insurance Company
GALT, ONTARIO, CANADA

The Perth Mutual Insurance Company
STRATFORD, ONTARIO, CANADA

The Portage la Prairie Mutual Insurance Company
PORTAGE LA PRAIRIE, MANITOBA, CANADA

Saskatchewan Mutual Insurance Company
SASKATOON, SASKATCHEWAN, CANADA

The Waterloo Mutual Insurance Company
WATERLOO, ONTARIO, CANADA

The Wawanesa Mutual Insurance Company
WAWANESA, MANITOBA, CANADA

George F. Mahoney, who had almost 20 years experience in the insurance agency field, was appointed commissioner in 1951.

MAHONEY OF MAINE

MAINE LONG AGO was ensured of being unrivaled as the nation's Christmas state.

Scene of America's first Christmas tree is said to be St. Croix Island in eastern Maine where the French settled in 1604. One of her cities, Lewiston, is the site of the nation's largest manufacturer of Christmas tree ornaments. Evergreens, symbolic of Christmas since earliest history, gave the state its nickname, "Pine Tree State," and its floral emblem, the white pine cone and tassel.

Gifts of nature have been bestowed upon the state with a lavishness that have made her "one of the most beautiful, most healthful and most interesting states in the Union." And when the Christmas morning sun comes up, its first rays to shine on the U. S. will be caught by two peaks in Maine—Mt. Cadillac first, and then Mt. Katahdin four minutes later. Mt. Cadillac is the highest elevation on the Atlantic Coast, and Mt. Katahdin, "Giant of the East," is the highest point in Maine.

Industrially, Maine has put up some new peaks in recent years, for the state no longer is just a summer vacationland completely snowbound in winter. The most northeasterly domain in the Union is now a highly diversified 12-month state with some 2,400 manufacturing establishments employing more than 100,000 workers on an industrial payroll of $409 million annually and turning out everything from toothpicks to destroyers.

Newest of Maine's major sources of income is tourism, credited with bringing the state a total recreational income now exceeding $285 million annually.

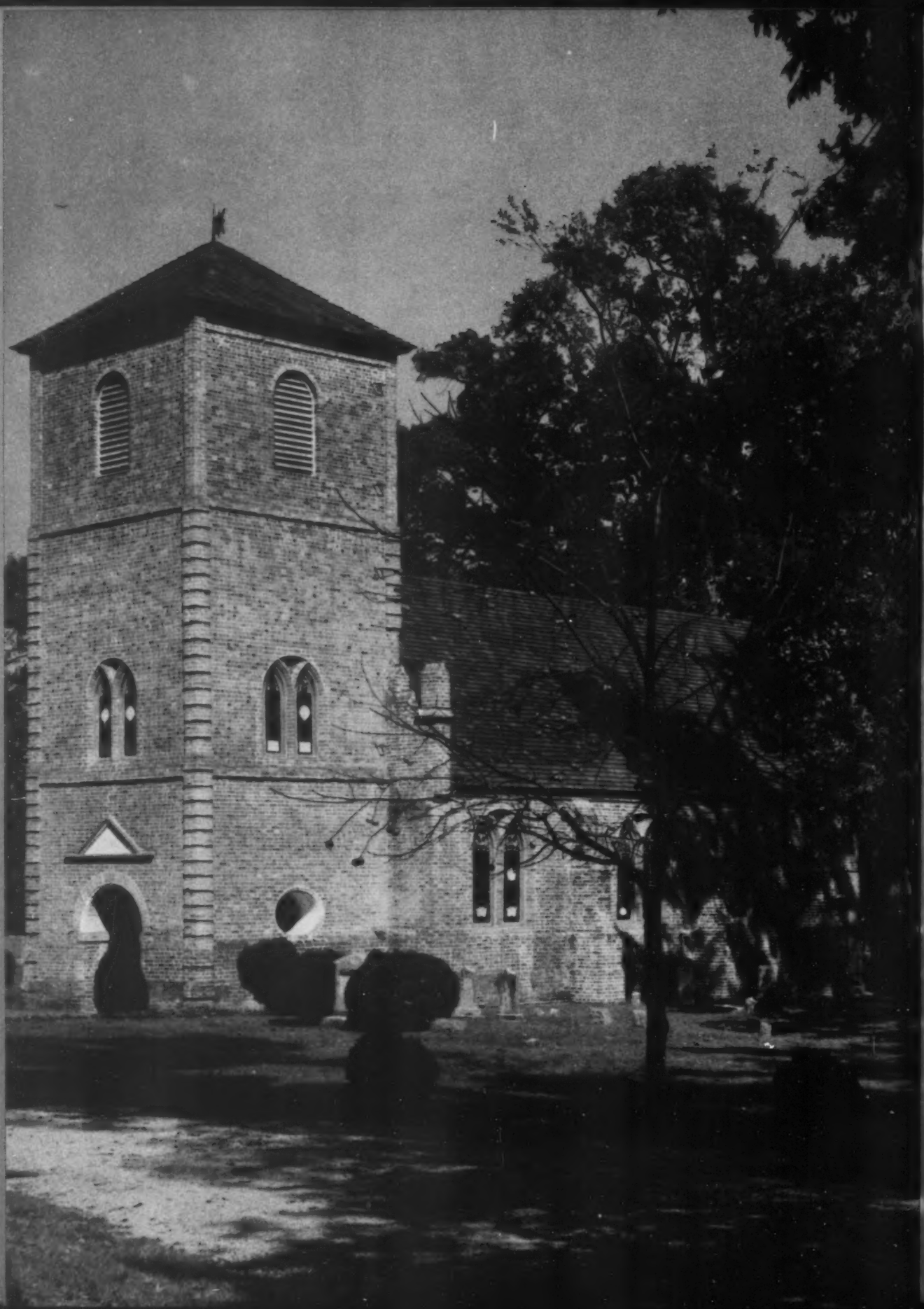
For the protection of both old and new businesses and properties, the 42 mutual fire insurance companies in Maine paid net losses of $943,454 in the most recent year reported by the state insurance department. Oldest of those companies, the Mutual Fire Insurance Company, Saco, organized in 1827, has thus served for almost the entire 141 years since Maine joined the Union on March 15, 1820.

Service rendered by all the 504 insurance companies licensed in the state is attested by total net premiums of $66.6 million, losses paid of $30 million, and losses incurred of $32.6 million during the most recent year of record.

Commissioner George F. Mahoney has held office since July, 1951, and heads a staff of 31 employees. The department was established in 1870 and includes the Division of Fire Prevention and related licensing boards.

Commissioner Mahoney, a native of Maine born at Ellsworth, has been in insurance almost all of his professional life except while enlisted in the Navy during World War II. He was graduated from the University of Maine in 1929 and after a three-year stint in advertising work, established his own general insurance-real estate agency at Ellsworth. Eight years later he acquired an Ellsworth agency that had been established in 1866, and in 1950 purchased another long-established agency in Ellsworth. These agencies, which represented nearly 30 leading companies, were sold in 1952 following Commissioner Mahoney's appointment to office.

During his 10 years in the National Association of Insurance Commissioners, he has served as a member of many committees and been chairman of others. He was chairman of the fire, marine, casualty and surety committee for several years and is now chairman of the accident and health committee. ⊙

Maine Department of Economic Development

Unsurpassed skiing and other summer-winter recreational facilities annually produce more than $285 million income for Maine.